particular it shall establish immediately a defense committee which shall recommend measures for the implementation of Articles 3 and 5.

ARTICLE 10

The Parties may, by unanimous agreement, invite any other European state in a position to further the principles of this Treaty and to contribute to the security of the North Atlantic area to accede to this Treaty. Any state so invited may become a party to the Treaty by depositing its instrument of accession with the Government of the United States of America. The Government of the United States of America will inform each of the Parties of the deposit of each such instrument of accession.

ARTICLE 11

This Treaty shall be ratified and its provisions carried out by the Parties in accordance with their respective constitutional processes. The instruments of ratification shall be deposited as soon as possible with the Government of the United States of America, which will notify all the other signatories of each deposit. The Treaty shall enter into force between the states which have ratified it as soon as the ratifications of the majority of the signatories, including the ratifications of Belgium, Canada, France, Luxembourg, the Netherlands, the United Kingdom and the United States, have been deposited and shall come into effect with respect to other states on the date of the deposit of their ratifications.

ARTICLE 12

After the Treaty has been in force for ten years, or at any time thereafter, the Parties shall, if any of them so requests, consult together for the purpose of reviewing the Treaty having regard for the factors, then affecting peace and security in the North Atlantic area, including the development of universal as well as regional arrangements under the Charter of the United Nations for the maintenance of international peace and security.

ARTICLE 13

After the Treaty has been in force for twenty years, any Party may cease to be a party one year after its notice of denunciation has been given to the Government of the United States of America, which will inform the Governments of the other Parties of the deposit of each notice of denunciation.

ARTICLE 14

This Treaty, of which the English and French texts are equally authentic, shall be deposited in the archives of the Government of the United States of America. Duly certified copies thereof will be transmitted by that Government to the Governments of the other signatories.

In witness whereof, the undersigned plenipotentiaries have signed this Treaty.

Done at Washington, the fourth day of April, 1949.

For the Kingdom of Belgium:
P. H. SPAAK
SILVERCRUYS
For Canada:
LESTER B. PEARSON
H. H. WRONG
For the Kingdom of Denmark:
GUSTAV RASMUSSEN
HENRIK KAUFFMANN
For France:
SCHUMAN
H. BONNET
For Iceland:
BJARNI BENEDIKTSSON
THOR THORS
For Italy:
SFORZA
ALBERTO TARCHIANI
For the Grand Duchy of Luxembourg:
JOS BECH
HUGUES LE GALLAIS
For the Kingdom of the Netherlands:
STIKKER
E. N. VAN KLEFFENS
For the Kingdom of Norway:
HALVARD M. LANGE
WILHELM MUNTHE MORGENSTIERNE
For Portugal:
JOSÉ CAEIRO DA MATTA
PEDRO THEOTONIO PEREIRA
For the United Kingdom of Great Britain and Northern Ireland:
ERNEST BEVIN
OLIVER FRANKS
For the United States of America:
DEAN ACHESON

I certify that the foregoing is a true copy of the North Atlantic Treaty signed at Washington on April 4, 1949, in the English and French languages, the signed original of which is deposited in the archives of the Government of the United States of America.

In testimony whereof, I, Dean Acheson, Secretary of State of the United States of America, have hereunto caused the seal of the Department of State to be affixed and my name subscribed by the Authentication Officer of the said Department, at the city of Washington in the District of Columbia, this fourth day of April, 1949.

DEAN ACHESON,
Secretary of State.
[SEAL] By M. P. CHAUVIN,
Authentication Officer.
Department of State.

The PRESIDING OFFICER. The treaty is open to amendment.

Mr. WHERRY. Mr. President, as I understand, the intention is to make the North Atlantic Treaty the unfinished business, and it is not contemplated that it will be discussed this evening.

Mr. MYERS. That is true.

Mr. DONNELL. Mr. President, is it contemplated that it will be discussed tomorrow?

Mr. MYERS. No. There will be no discussion until Tuesday.

Mr. WHERRY. Mr. President, in view of the fact that the Senator from Missouri raised that question, may I inquire of the present occupant of the chair whether or not the resolution which was adopted yesterday or the day before relative to the recess and reconvening on next Tuesday provides that when the Senate convenes tomorrow, which is Friday, it shall convene only for the purpose of meeting and recessing until the following Tuesday, and that no business is to be transacted tomorrow when the Senate reconvenes, except to recess until Tuesday?

The PRESIDING OFFICER. The Chair is advised that that is not included in the order. It is a question whether the Senate wishes to meet tomorrow to consider business.

Mr. MYERS. Mr. President, the Senate will meet tomorrow. No business will be transacted, unless Senators desire to make insertions in the RECORD, and there is no objection to the requests.

Mr. WHERRY. May we have the full assurance of the acting majority leader that there is an agreement that tomorrow when the Senate convenes no business is to be transacted? I do not object to speeches or insertions in the RECORD, but I think Senators should understand now that tomorrow there will be no votes and that no business will be transacted other than to meet and recess until the following Tuesday.

Mr. MYERS. I will say to the Senator from Nebraska that that is the understanding. No business will be transacted, and no votes will be taken.

The PRESIDING OFFICER. Is it the desire of the acting majority leader that the nominations on the Executive Calendar be considered at this time?

Mr. MYERS. Mr. President, I ask that the nominations on the Executive Calendar be passed over.

The PRESIDING OFFICER. Without objection, the nominations on the Executive Calendar will be passed over.

RECESS

Mr. MYERS. I move that the Senate take a recess, in executive session, until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 24 minutes p. m.) the Senate took a recess until tomorrow, Friday, July 1, 1949, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate June 30 (legislative day of June 2), 1949:

DIPLOMATIC AND FOREIGN SERVICE

Jefferson Caffery, of Louisiana, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Egypt.

HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 30, 1949

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our most gracious Father, we praise Thee for all the sacred influences of life, for home with its benedictions, for the counsel and fellowship of those who are wise and faithful. We would not walk alone, but would find strength in others, in those unforgotten spirits which weave a charm about our souls.

In the constant rush of life, keep us ever seeking the guidance of prayer and meditation, thus avoiding a life empty of spiritual power.

We beseech Thee that with firm steps and certain hearts we may move resolutely forward, eager to write a new chapter in the scroll of human freedom. Heavenly Father, bend low, open Thy listening ear. We beseech Thee to abide with our honored Speaker, the leaders, the Members of Congress, and all others who associate with them. Keep them day by day under the wings of Thy love and mercy in good health and good cheer. In the name of Him who gave Himself as a ransom for the world. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the

President approved and signed bills and joint resolutions of the House of the following titles:

On June 28, 1949:

H. R. 716. An act for the relief of Mark H. Potter;

H. R. 735. An act for the relief of Phil H. Hubbard;

H. R. 1096. An act for the relief of Mr. and Mrs. James Linzay;

H. R. 1123. An act for the relief of Mrs. Florence Mayfield;

H. R. 1125. An act for the relief of Ellis C. Wagner and Barbara P. Wagner;

H. R. 1771. An act relating to loans by Federal agencies for the construction of certain public works;

H. R. 1858. An act for the relief of the legal guardian of John Waipa Wilson;

H. R. 1981. An act for the relief of V. O. McMillan and the legal guardian of Carolyn McMillan;

H. R. 2078. An act for the relief of Winston A. Brownie;

H. R. 3311. An act for the relief of Carmen Morales, Aida Morales, and Lydia Cortes;

H. R. 3444. An act to provide for the collection and publication of cotton statistics;

H. R. 3603. An act for the relief of Michael Palazotta;

H. R. 3967. An act to continue a system of nurseries and nursery schools for the day care of school-age and under-school-age children in the District of Columbia through June 30, 1950;

H. R. 3992. An act for the relief of J. L. Hitt;

H. R. 4392. An act to provide for the payment of compensation to the Swiss Government for losses and damages inflicted on Swiss territory during World War II by United States armed forces in violation of neutral rights, and authorizing appropriations therefor; and

H. J. Res. 276. Joint resolution granting certain extensions of time for tax purposes.

On June 29, 1949:

H. R. 593. An act for the relief of Hampton Institute;

H. R. 650. An act for the relief of George A. Kirchberger;

H. R. 1837. An act to amend the Nationality Act of 1940;

H. R. 3082. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1950, and for other purposes;

H. R. 3333. An act making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1950, and for other purposes;

H. R. 3997. An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1950, and for other purposes;

H. R. 4332. An act to amend the National Bank Act and the Bretton Woods Agreements Act, and for other purposes;

H. R. 4471. An act to regulate the hours of duty and the pay of civilian keepers of lighthouses and civilians employed on lightships and other vessels of the Coast Guard; and

H. J. Res. 235. Joint resolution to continue the authority of the Maritime Commission to sell, charter, and operate vessels, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States No. 49–17.

EXTENSION OF REMARKS

Mr. SMATHERS asked and was given permission to extend his remarks in the RECORD in three instances and include editorials from Florida papers.

Mr. ELLIOTT asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. KARSTEN asked and was given permission to extend his remarks in the Appendix of the RECORD and include a recent address by the Vice President of the United States.

Mr. MULTER (at the request of Mr. KARSTEN) was given permission to extend his remarks in the Appendix of the RECORD.

Mr. RAINS (at the request of Mr. MANSFIELD) was given permission to extend his remarks in the RECORD.

SPECIAL ORDER GRANTED

Mr. SMATHERS. Mr. Speaker, I ask unanimous consent that, after the legislative business of the day and following any special orders heretofore entered, I may address the House today for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Florida [Mr. SMATHERS]?

There was no objection.

SPECIAL ORDER TRANSFERRED

Mr. SIKES. Mr. Speaker, I ask unanimous consent that the special order granted for me today may be vacated and that on tomorrow, at the conclusion of the legislative business and any other special orders, I may address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Florida [Mr. SIKES]?

There was no objection.

LOANS BY RFC

Mr. TAURIELLO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TAURIELLO. Mr. Speaker, I hold in my hand a copy of the Buffalo Evening News of June 28. A story is related in this paper by the Associated Press emanating from Washington. I call this to the attention of the Members of the House, especially to those Members, the gentlemen from Indiana [Mr. HALLECK] and Georgia [Mr. COX], who were so vociferous in placing the tag of "socialism" on the housing bill which we enacted yesterday.

This story relates that Mr. Gunderson, Director of the RFC, told the subcommittee on Banking and Currency of the Senate that they were going to make another loan of $3,000,000 to a private corporation to which the RFC had already loaned $32,000,000, a corporation that is already losing money in its daily operations. If the housing bill was socialism, then I say this is socialism to the *n*th degree. When the Federal Government can throw money down a rat hole with private corporations, then I say that this agency should be investigated and should be stopped from loaning any more money to a corporation that is admittedly losing money.

The point I want to make, Mr. Speaker, is that when the Government is asked to pass laws for the general welfare of the country, certain Members are quick to scream socialism, but when the Government subsidizes private corporations and so forth, these same gentlemen are conspicuous by their silence. In this instance, the RFC admits they are loaning, yes, giving away the taxpayers' money to bolster up a private corporation, and a losing proposition on top of it.

This in my opinion, Mr. Speaker, is rank waste of public funds. I encourage the Government's coming to the aid of business, but when the Government loans money to a company that has no hope of succeeding, then it is time to call a halt.

[From the Buffalo (N. Y.) Evening News of June 29, 1949]

LUSTRON EXPECTED TO ASK RFC FOR ANOTHER $3,000,000

WASHINGTON, June 28.—The Reconstruction Finance Corporation expects to be asked for—and to grant—another $3,000,000 loan soon to Lustron Corp., one of the RFC's five directors said.

Director Harvey Gunderson told a Senate banking subcommittee this would raise to $35,500,000 the total loaned to the maker of all-steel prefabricated houses by the Government financial agency since June 30, 1947, and that the RFC may put up more later.

Mr. Gunderson said Lustron is still a money-losing proposition and requires about $1,000,000 a month more capital from the RFC to keep going at this point.

Congress has, in passing housing laws, expressed an interest in seeing what happens to a prefab housing venture and apparently wants the RFC to "push it to the limit," he declared.

"We can't yet say whether it will be a success or a failure, and we should pursue until we are certain."

Senator J. WILLIAM FULBRIGHT, Democrat of Arkansas, several times suggested that the RFC should feel free to drop it before reaching the bitter end, but he said he was just speaking for himself.

Mr. Gunderson outlined the past, present, and the future prospects of Lustron, which employs more than 3,000 persons at its plant in Columbus, Ohio, along these lines:

Nearly all money invested in it was put up by the RFC; $15,500,000 on June 30, 1947; another $10,000,000 in July 1948, and $7,000,000 last February 14—the latter about gone now.

With operations requiring about $1,000,000 a month, Mr. Gunderson expects Lustron soon to be asking more money—about $3,000,000.

The concern's output has reached 15 houses a day this month, and will increase to 20 a day next month. At least 30 to 50 houses must be produced each day for the plant to break even.

The SPEAKER. The time of the gentleman from New York has expired.

INDEPENDENT MERCHANTS OPPOSE S. 1008

Mr. BURTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend

my remarks and include copies of three letters.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. BURTON. Mr. Speaker, I have received letters from the proprietors of three small, independent companies presenting their objections to S. 1008, the bill on delivered prices, which is now before the Committee on Rules. These merchants urge the defeat of this bill on the grounds that by its passage the antitrust laws would be substantially weakened and collusive pricing practices revived. The letters are given below:

POWERS-TAYLOR DRUG CO.,
Richmond, Va., June 23, 1949.

The Honorable CLARENCE G. BURTON,
House Office Building,
Washington, D. C.

DEAR SIR: We understand that there is a bill pending in Congress identified as S. 1008 which, if passed, would considerably weaken the Robinson-Patman Act.

We would like to ask that you consider this bill very carefully and we hope that you will vote against this bill, and use your influence to defeat same.

The Robinson-Patman Act in our opinion should not be weakened in any way as it is the best protection that any independent retail or wholesale merchant has against chain stores or other powerful groups.

Hoping you will give this your consideration, we are,

Yours truly,
POWERS-TAYLOR DRUG CO.,
J. W. RUSSELL, *President.*

HUMPHRIES & WEBBER, INC.,
Roanoke, Va., June 24, 1949.

Hon. CLARENCE G. BURTON,
Member of Congress,
Washington, D. C.

DEAR CONGRESSMAN BURTON: There is pending in Congress a bill, S. 1008, which would wreck the Robinson-Patman Act, which has proven to be a stabilizing agent for small business. If this bill, S. 1008, is enacted, it will disrupt small business and give the big interests a powerful lever to wreck many enterprises of small people who are the very backbone of our economy.

We hope that you will give this your careful consideration.

Very truly yours,
HUMPHRIES & WEBBER, INC.,
JOSEPH H. WEBBER, *President.*

FINCASTLE PHARMACY,
Fincastle, Va., June 23, 1949.

Hon. CLARENCE G. BURTON,
House of Representatives,
Washington, D. C.

DEAR SIR: Please give bill S. 1008 your careful attention, and, if possible, vote against and use your influence to defeat its passage.

This is a big-business and chain-store bill which would defeat the usefulness of the Robinson-Patman Act and thereby legalize price discrimination.

Yours very truly,
E. E. MAYHEW.

DEPARTMENT OF DEFENSE

Mr. CAVALCANTE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. CAVALCANTE. Mr. Speaker, as a disabled war veteran of this Nation, I have called upon my conscience for the remarks that I am about to spread on the RECORD.

Mr. Speaker, our Department of Defense is charged with a grave public responsibility. Its duty in peace is to build our national defense and maintain it in a posture that if war is cast upon us we may repel invasion and carry the battle to the borders of the attacker. To effectively discharge this responsibility, the Department is particularly entitled to the candid support of this Congress, whether we be Democrat or Republican; Catholic, Jew, or Protestant; black or white. A gun, shell or bomb in the hands of an enemy soldier is no respecter of race, color or religion, and much less of politics. Truly Mr. Speaker, this responsibility challenges the best that is in Democrat and Republican alike. It is the imperative responsibility of both.

Many unfounded partisan charges have been leveled at this Department, its Secretary and employees by unscrupulous persons, in these past 2 months. These persons deserve the censure of all good citizens.

Mr. Speaker, I appeal to the candor of this Congress to trust the firm judgment of the President to protect our Department of Defense, its patriotic Secretary and employees, whether Democrat or Republican, against the bane of partisanship and the flare of brass-band demagogue and tin-horn politician.

PERMISSION TO ADDRESS THE HOUSE

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks and include with those remarks certain extraneous material.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

[Mr. MANSFIELD addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. JACKSON of California asked and was given permission to extend his remarks in the RECORD and include an article from the London Express.

Mr. SHAFER asked and was given permission to extend his remarks in the Appendix of the RECORD in three separate instances and in one to include an editorial.

THE UNITED STATES MARINE CORPS

Mr. JACKSON of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. JACKSON of California. Mr. Speaker, since 1776 the United States Marine Corps has fought the battles of our country from the Halls of Montezuma to the shores of Tripoli. The members of the corps have typified soldierly virtues during the long and illustrious history of the marines—a history written at Bunker Hill, Trenton, on Lake Erie, Chapultepec, Vera Cruz, San Juan Hill, Manila Bay, Guadalcanal, Tarawa, Iwo Jima, and a hundred other blood-drenched battlefields. There has never been a mutiny. Marines have always fallen with their faces toward the enemy, and in the slogan of the corps, Semper Fidelis, there is summed up the marines' philosophy of honorable and valiant service.

The United States needs its marines. It needs the esprit de corps of this great body of fighting men. Establishment of the corps for the first time upon a firm and statutory basis can meet with no objections on the grounds of either economy or the public interest. We who are sponsoring this legislation ask only that the marines be given a status commensurate with the valiant service they have rendered. We urge the Committee on Armed Services to give a hearing to the bill and to insure the continued existence of the United States Marine Corps to the service of this country.

OVERTIME IN BUSINESS

Mr. SHAFER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. SHAFER. Mr. Speaker, the word is going around among employers that the Wage and Hour Administrator is about to take another long step toward promoting inflation, wrecking small industry, and exercising in an arbitrary manner the vast powers given to him by the New Deal Congresses of days long gone.

I refer to the published statements to the effect that the Wage and Hour Administrator is about to change the exemption for overtime payment for administrative and executive employees of business. His idea apparently is not to put into effect a gradual increase of 10 or 15 percent of the basic minimum, but we are told that the overtime exemption now existing at $25 a week for executives will be raised to $50, and the $50 existing for administrative employees will be raised to $75.

Now, Mr. Speaker, the large, heavily capitalized, and prosperous industries in every field will feel this arbitrary action along with the smaller, less prosperous, and less wealthy businesses of the country. But the larger businesses will be better able to stand the increase and take it in stride. The smaller businesses, on the other hand, will be pushed, by this act, over the precipice. Many of them will find this action to be the straw that breaks the camel's back—in this instance, their own backs.

It is perfectly obvious that the regulation, when put into effect, will be detrimental to thousands upon thousands of small employers. Their costs will be raised at the very time of declining sales when many of them are fighting desperately every day to lower costs.

It would seem to me that if we in Congress allow the Wage and Hour Administrator freedom to take such drastic measures, we should at least provide that any increases in executive or administrative employee standards should be tied into the percentage wage increases that

are laid down in industry as a pattern for each particular year. A 50- to 100-percent increase at this time makes no sense at all.

I recently received a letter of protest about these forthcoming regulations from one of the most alert, intelligent, and fair-minded employers in my district. He pointed out that there are 20 employees in his plant who would come under the heading of administrative or executive personnel, but that he could not possibly pay these increases.

"These employees will have to be put on an overtime basis, which will further increase the cost of our production at a time when we are definitely reducing prices in the face of everything in order to keep the plants alive," he asserted.

We can see by such regulations as these why the New Deal and the Fair Deal, although always talking against higher prices, have forced inflation upon the American people—a disastrous inflation that stymies production, lowers incentive of entrepreneurs to strive, and works subtly to destroy the precious freedoms for which our forefathers fought and died.

GOVERNMENT FINANCES

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, a winner never quits, and a quitter never wins. Today is the last day of this Government year, financially. When the final report comes, you will find that we are over a billion dollars in the red—another Fair Deal administration failure.

On yesterday we put through a bill requiring $19,312,500,000 of the American taxpayers' money, and much other legislation has been proposed: Federal aid to education, socialized medicine, the St. Lawrence seaway, aid to Korea, $150,000,000, and guaranteeing businessmen who undertake enterprises in foreign countries to the extent of $45,000,000 to keep them from going into bankruptcy when 200 of our business concerns in America are going into bankruptcy—yet no help for them.

Where are you going to get the money?

The Atlantic Pact will soon be up for $1,130,000,000 to arm the countries in Europe. They say for peace. I say rats. When you arm it means war, not peace. Let the Congress soon get some common sense. Stop spending, stop talking about arming everybody for war and at the same time saying you are for peace. It does not make sense to me. Talk peace and work for peace, and we can and will have it.

EXTENSION OF REMARKS

Mr. MILLER of Nebraska asked and was given permission to extend his remarks in the RECORD and include a radio address by Mr. Taylor from Tokyo on General MacArthur.

Mr. KUNKEL (at the request of Mr. BISHOP) was given permission to extend his remarks in the RECORD.

Mr. DAGUE asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article from the Washington Star.

THE BRANNAN FARM PROGRAM

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. MILLER of Nebraska. Mr. Speaker, I have introduced legislation to extend indefinitely the period in which title I of the Agricultural Act of 1948 applied. It is my opinion, Mr. Speaker, that the farmers of our Nation want to restore and continue the full 90 percent parity floor price on farm products, in exactly the same manner as it has been operated in past years since the adoption of the Steagall amendment. I am doing this because, in these troubled and uncertain times, we cannot afford to gamble with an untried and untested formula such as has been proposed by Mr. Brannan. The men in the Agriculture Department are making a political football out of the farmers production. They offer a new and untried approach to the farm program. I am convinced that it would not be satisfactory either to the farmer or to the Government.

The people in the Agriculture Department have not reached a decision among themselves as to a better and more workable program than the one now in operation. This Congress cannot afford to permit farm prices to sag below farm parity or permit our farm program to become a political football. I am convinced that unless we have prosperous farmers we cannot have prosperity for anyone in the United States. I am further convinced that adoption of the 90 percent parity will not leave the farmer holding an empty sack and dependent upon appropriations from Congress.

There is something mysterious about the Brannan farm program. It tries to do the miraculous in that it would reduce the price the housewife pays for food, and at the same time guarantees high prices to the farmer for his products. The Government, and that is you, would pay the difference.

I notice that Mr. Brannan is unable, or unwilling to estimate the cost of the program. It will be expensive. I have noticed, however, that he has estimated the cost to the farmer in the terms of liberty and that comes high. As I read his suggested farm plan, it means complete Government control of all farm products and marketing. How else could it operate? The whole program is one of control. There is nothing petty about what he intends to do. He would have rigid market quotas on hogs, cattle, poultry, grain, vegetables, and about everything else one could think of that is raised on the farm. He would set up legalized quotas. Mr. Brannan would then tell the farmer exactly how much, if anything, he would be permitted to sell. If the farmer disobeyed, he would be subject to a stiff penalty tax. If the farmer accepts Mr. Brannan's plan, he is surrendering to Government dictation, disguised as security, and may well lose both his security and his freedom. The plan should have very close scrutiny by the American farmer.

Mr. Speaker, the bill I propose simply extends the present parity payment schedules, and is a program understood by the farmers. To make it workable, the Brannan plan would require huge appropriations from Congress. I am sure the farmers in my district do not want to be dependent upon annual appropriations from Congress. They do not like the controls which must come under either the Aiken or the Brannan farm programs. I trust the Agriculture Committee and the Congress will give favorable consideration to the extension of the 90-percent parity farm-price program.

REDUCTION OF EXCISE TAXES

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I have today on my own responsibility filed with the Clerk a motion to discharge the Ways and Means Committee from the consideration of H. R. 2100, a bill which I introduced on February 2, 1949, to reduce excise taxes to the prewar basis.

I have hoped and have patiently waited for action on the part of the Ways and Means Committee. It is now obvious no action can be expected from the committee this year. There is only one thing left to do, and that is to use the discharge method.

This legislation is needed to cushion the shock of the recession. It will stimulate business and provide employment to many thousands. It will not materially reduce revenues and it could increase them by the boost it will give business generally.

Above all, the bill is just. It is wrong to keep a wartime sales tax on the poorer people in a period of recession. It is discriminatory taxation to single out a few industries and destroy them.

If you are really in earnest about putting people to work and giving some relief to low-income groups, you will pass this bill now.

I invite Republicans and Democrats alike, who are behind this fight, to sign the petition and get legislation to the floor.

UNEMPLOYMENT

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I am concerned over the growing unemployment in the country. In my home city of Binghamton the largest industry in that town has let out about 1,000 workers since January 1. That company is the Ansco Film Corp.,

a subsidiary of General Aniline, being run by the United States Government and the present administration. I think the time has come for all of us to begin to gird our loins to see what we can do to lick this bugbear of unemployment, because if we do not get it it is going to get us.

Every man and woman in the country who wants to work ought to be able to have a job, they ought to be able to keep it, and the Congress should take steps to see that something is done so that the people may enjoy the same full employment that they were able to enjoy previously. Peacetime employment is as essential as wartime employment.

EXTENSION OF REMARKS

Mr. LECOMPTE asked and was given permission to extend his remarks in the RECORD and include an article entitled "The Brannan Program" notwithstanding that it exceeded two pages of the RECORD and, according to the Public Printer, cost $187.50 to print.

SPECIAL ORDER GRANTED

Mr. VURSELL asked and was given permission to address the House for 20 minutes on Tuesday next at the conclusion of the legislative program of the day and following any special orders heretofore entered.

COMMITTEE ON PUBLIC LANDS

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent that the Committee on Public Lands may sit this afternoon during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

REPORT ON H. R. 5310

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent that the Committee on Public Lands may have until midnight tonight to file a report on H. R. 5310.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

EXTENSION OF REMARKS

Mr. SANBORN asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. FARRINGTON asked and was given permission to extend his remarks in the RECORD in two instances, and include official reports of the results of the strike of longshoremen in Hawaii.

Mr. HESELTON asked and was given permission to extend his remarks in the RECORD in two instances and include in one a letter.

Mr. GWINN asked and was given permission to extend his remarks in the RECORD.

Mr. DAVIS of Wisconsin asked and was given permission to extend his remarks in the RECORD and include a letter from a constituent.

Mr. TEAGUE asked and was given permission to extend his remarks in the RECORD and include extraneous material.

Mr. ABBITT asked and was given permission to extend his remarks in the RECORD and include an address by his colleague the gentleman from North Carolina [Mr. COOLEY].

Mr. WIER asked and was given permission to extend his remarks in the RECORD and include a resolution.

EXCISE-TAX REPEAL

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EBERHARTER. Mr. Speaker, I listened with a great deal of surprise to our distinguished minority leader, the gentleman from Massachusetts [Mr. MARTIN], when he advocated the repeal of what he calls war excise taxes. Now, I think I am safe in saying that the Democratic Party has always held the position that excise taxes are in effect sales taxes. It was the Eightieth Republican Congress that made permanent these excise taxes that were levied for wartime purposes. The main reason that we are operating at a deficit today is because the Eightieth Republican Congress passed an income-tax-reduction bill—a law that does not bring in enough revenue to operate the Government on a surplus basis. We are not able to reduce the public debt one cent, and these are the days, certainly, when the public debt should be reduced. Does the Republican leader in the House advocate operating Government services on a deficit basis?

EXCISE TAX REPEAL

Mr. GRANGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. GRANGER. Mr. Speaker, I find myself in agreement with former members of the Marine Corps who sing the marine hymn, From the Halls of Montezuma to the Shores of Tripoli. I concur in what these gentleman say in relation to that corps.

I also agree to a great extent in what the gentleman from Massachusetts [Mr. MARTIN] said about these excise taxes. Regardless of who wants to take the credit or the blame for it, I think their repeal is long overdue. I do not agree, however, with the gentleman from Nebraska [Mr. MILLER], who, I think, knows a great deal more about other things than he does about the farm bill. I want to say that the Committee on Agriculture has reported out a farm bill that contains in major aspects the principle advocated by the Secretary of Agriculture. I think it is a good bill, and one that the farmers of America will appreciate. It will be an improvement on present farm legislation. In this bill everybody is going to get a break. The farmer is going to be protected, the consumer will get a break, and it will, in the long run, cost the Government less money.

TAX REDUCTION

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, I listened with interest to the remarks of the gentleman from Pennsylvania [Mr. EBERHARTER] with reference to the tax-reduction bill passed by the Eightieth Congress. I also heard a lot of talk in the last campaign about how that was a bad tax bill.

After we got back this year, in the Eighty-first Congress, it was said by the Chief Executive that we needed more taxes. What I should like to inquire about is simply this: If that was such a bad tax bill, and if you people over there do not like that tax bill, then why do you not bring in a measure to repeal it?

I know why you are not going to repeal it. You are not going to repeal it because it was a good tax bill. You are not going to repeal it because 71 percent of the tax relief provided by that bill went to people making $5,000 a year or less. That is the reason no responsible Democrat has to this day, after we have been in session for 6 months, offered anything in the way of a resolution or bill to repeal the tax bill passed over a Presidential veto by the Eightieth Congress by an overwhelming vote.

FARM PROGRAM

Mr. H. CARL ANDERSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. H. CARL ANDERSEN. Mr. Speaker, I should like to compliment the gentleman from Nebraska [Mr. MILLER] on following along with many of us who have introduced bills designed to keep the present 90-percent price-support program for agriculture indefinitely. It is our hope to prevent coming into law the so-called Aiken Act. The farmer is entitled to at least 90-percent price support on the basic commodities.

I wish to weigh very carefully the provisions of the Pace bill, reported out June 27. For the first time it is seriously proposed that a farmer must look to the Treasury for a portion of what we call a parity price. This is the beginning of the theory underlying the Brannan plan. I, as a farmer, regret ever seeing the day come to agriculture when we must be subsidized out of the Treasury instead of receiving our fair parity price for our commodities out of the markets. In actuality, of course, this will be a subsidy to the consumer, to pay part of his food bill, but the farmer will be stigmatized by the press as being the recipient of this gratuity from the Treasury. Let us instead reenact the present 90-percent support law with minor modifications as deemed necessary.

FARM PROGRAM

Mr. HAYS of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HAYS of Ohio. Mr. Speaker, as a farmer who knows a little bit about farm prices, I should like to disagree with some of the statements two gentlemen have just made about the Brannan plan. I do not care to get into a discussion of relative degrees of lowness to which anybody might stoop, but when the gentleman says that he would not stoop low enough to accept a payment under the Brannan plan, and then demands that we have a 90 percent parity, I must feel constrained to say that his remarks fail to square-up with the situation. Any parity plan is a subsidy which is operated indirectly by the Government taking products off the market in order to create an artificial scarcity and to maintain high prices. Thereby, inevitably it takes food out of the mouths of people who do not have the necessary income to pay these high prices. In many instances, this food is allowed to deteriorate or sometimes has to be destroyed because it can no longer be preserved. The Brannan plan, as I understand it, simply advocates using this same money, if it is necessary, to make direct payments to the farmer and to allow prices to find a common level so that the low-income groups can participate in the purchasing of farm products. It seems to me that this is the first successful, down-to-earth, common-sense approach to the farm problem that has been offered within my memory. I think that probably the only objection the two gentlemen who preceded me could possibly have to this program is that my party is sponsoring it instead of the party of which they are members. As a farmer, I hope that I can always keep in mind the interests of the farmers, of not only my district, but of the entire United States, without losing sight of the fact that without the consumer, who is able to afford to buy farm products, the American farmer would be in dire straits.

EXCISE TAXES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, the fact remains that what the gentleman from Pennsylvania [Mr. EBERHARTER] said is correct, and it has not been denied by my friend from Indiana. It was the last Congress that made the war excise taxes permanent. President Truman recommended their extension for 1 year. The Republican Congress, after they passed the tax bill, made them permanent, and then promised that before the last Congress was over they would consider these taxes and they would be repealed. The fact is that the tax bill of 2 years ago reduced the income of the Government over $4,000,000,000. It was the most radical vote that any Member could make, in my opinion, because it was a vote against the financial integrity of our country.

If it were not for that tax bill we now would have over a $3,000,000,000 surplus, and we would be able to make a substantial payment on the national debt, which is a matter of vital importance. The indisputable fact remains that the statement of the gentleman from Pennsylvania [Mr. EBERHARTER] is correct. If my friend, the gentleman from Massachusetts [Mr. MARTIN] introduces a bill to repeal the war excise taxes and at the same time imposes new taxes to raise the money in the light of the present situation brought about by the Eightieth Republican Congress, it would be a consistent position to take. The gentleman, however, wants to repeal taxes and then not take the responsibility of imposing additional taxes to recover the lost revenue.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

EDUCATIONAL BENEFITS UNDER GI BILL OF RIGHTS

Mrs. BOLTON of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Mrs. BOLTON of Ohio. Mr. Speaker, I had a very delightful letter from a GI which I was asked to share with all of you and take this method to do so.

STRONGSVILLE, OHIO, *June 21, 1949.*

DEAR MRS. BOLTON: This is a letter of thanks to you and all the other legislators who were instrumental in making the GI bill of rights possible. I have just finished 5 years of work by receiving my M. A. from Western Reserve University at Cleveland, Ohio, and I wanted to say thanks to someone.

This has been the fulfillment of a lifelong dream and would never have been realized without the GI bill. I imagine you get many letters such as this from veterans who have completed their education but for the ones that have not thanked you, please allow me because I'm sure they all would if they thought about it.

I feel more than repaid for the 3 years I spent in the service, because I was in the service to protect my own family and others and I felt repaid when peace was declared, but this education that I have received has been a marvelous bonus that could only happen in a country such as we live in.

Thanking all who were responsible for the GI bill of rights and its educational benefits, I remain,

Gratefully yours,

EUGENE P. MORTON.

EXTENSION OF REMARKS

Mr. MACK of Washington asked and was given permission to extend his remarks in the RECORD and include an editorial.

EXCISE TAXES

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CRAWFORD. Mr. Speaker, the part that interested me in this discussion this morning is that industry has now been served notice that excise taxes are permanent. I am very sorry to learn that from the majority leader and from the distinguished member of the Committee on Ways and Means who spoke a while ago. I had hoped that these taxes would not be permanent. I am not so much interested in what the Eightieth Congress did or what the Eighty-first Congress has done or not done on this issue, but I am interested in having a large volume of business in this country so that we can earn incomes that can be taxed to maintain the revenues of this Government.

Transportation taxes should be repealed, regardless of what was done last year, this year, or what will be done next year. Taxes on telephone calls and telegrams should be repealed, regardless of what was done last year or this year. I am sorry that this notice has been served on American industry.

The SPEAKER. The time of the gentleman from Michigan has expired.

A WARNING TO REACTIONARY REPUBLICANS

Mr. O'SULLIVAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. O'SULLIVAN. Mr. Speaker, the time has come again to remind the reactionary Republicans of the same matter that I pointed out on June 21 last, that New York's Governor, Thomas E. Dewey, in a speech made at the Roosevelt Hotel in New York City, to the Republican women, stated that the Republican Party should cease being a party of opposition and further stated that—

If anybody thinks that we—

The Republicans—

can win elections by merely opposing every bit of social progress that has been made in the last 20 years, I say he is crazy.

Governor Dewey was right and I am sure learned this from bitter personal experience.

Some time ago Gov. Val Peterson, the Republican Governor of Nebraska, also spoke brave and chiding words in New York City before the Women's National Republican Club and challenged the Republican Party's efforts, and pointed out the error of its politically fruitless ways. He said in part:

Our party cannot be an agency of obstructionism, blind opposition, and narrow personalities.

Later in Indianapolis, Ind., Governor Peterson said:

Let's [we Republicans] quit trying to be all things to all men. Let's [we Republicans] stand upon principle and face consequences manfully.

Let's [we Republicans] fight intelligently; let's [we Republicans] know what we are fighting for, know the importance of the fight and not butt our heads against the wall for the sake of the battle—

Or should it be for the sake of the butt.

I highly recommend all of this language to my Republican colleagues today and hope that they will help their liberal leadership to peck its way out of the reactionary shell in which it is now encased and acquire a new political roost.

PERMISSION TO ADDRESS THE HOUSE

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BROWN of Ohio. I have requested this time to ask a question of the gentleman from Nebraska [Mr. O'SULLIVAN] inasmuch as he would not yield to me a moment ago.

My question is this: Just when did Governor Dewey qualify as an expert on how to win elections?

Mr. O'SULLIVAN. He qualified in New York City by being elected Governor every time he ran. He was your candidate twice.

EXTENSION OF REMARKS

Mr. PATMAN asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous matter.

SPECIAL ORDER GRANTED

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that, after the legislative business today, I may address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

TAX RELIEF

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, the Eightieth Congress tax bill was a great mistake. We realize that now. I cannot understand why a great party like the Republican Party, that has always talked about sound money and against deficit financing, would cause to be placed upon the statute books a law that throws us right back into deficit financing. If my understanding is correct, deficit financing was started under the Republicans, under Mr. Hoover. Now they should not want to go back to it. So I wonder if they are getting off of their old slogan, "Sound money, sound government," and against deficit financing. Of course, you cannot undo the harm now because you cannot unscramble the eggs. The harm has already been done.

I am sorry that the Republican Party has gone in that direction and caused the present deficit.

The SPEAKER. The time of the gentleman from Texas has expired.

BUSINESS EARNINGS

Mr. CHRISTOPHER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CHRISTOPHER. Mr. Speaker, I rise at this time to point out the fact that, despite all reports to the contrary, American business is doing rather well.

I hold in my hand a clipping from the Kansas City Star of June 27, as hard-boiled a Republican paper as is printed anywhere west of the Mississippi River. That paper says in this article that dividend payments of reporting United States corporations was $1,240,000,000 in the first 4 months of 1946 and they have steadily raised until in the first 4 months of 1949 they are $1,920,000,000. They have been rising steadily since 1941, from $1,090,000,000 to $1,920,000,000 in 1949.

The best returns for business in the United States in the first 3 months of this year that there has ever been in a like period in any year since 1941. So I think business is doing very well and I am glad of it. Here are the dividend figures in billions of dollars—1941, 1.09; 1946, 1.24; 1947, 1.51; 1948, 1.81; 1949, 1.92—in the period January 1 to April 30 in each year.

The SPEAKER. The time of the gentleman from Missouri has expired.

RACE RIOTS IN THE DISTRICT OF COLUMBIA

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, the Communists have finally succeeded in bringing on a race riot in the District of Columbia, and those communistic propagandists on the floor of this House are largely responsible for it.

This proposition of wiping out segregation in the public schools of the District of Columbia, and in the playgrounds and swimming pools, has created a race riot that has lasted for 2 days in Anacostia, and resulted in the closing of their swimming pool indefinitely.

Yesterday it took 50 policemen to keep the peace around that swimming pool, and even then they failed.

Who is responsible for all this trouble? It is these communistic agitators. They have infiltrated into this country and many of them have slipped into Government positions. They should be ousted and deported at once. They are running around trying to stir up race trouble between the whites and the blacks, who are getting along better in America, and especially in the South, where we have complete segregation, than they are anywhere else in the world.

The SPEAKER. The time of the gentleman from Mississippi has expired.

INCREASING RATES OF COMPENSATION OF HEADS AND ASSISTANT HEADS OF EXECUTIVE DEPARTMENTS

Mr. SABATH, from the Committee on Rules, submitted the following privileged resolution (H. Res. 274) providing for consideration of the bill (H. R. 1689) to increase rates of compensation of the heads and assistant heads of executive departments and independent agencies, which was referred to the House Calendar and ordered printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 1689) to increase rates of compensation of the heads and assistant heads of executive departments and independent agencies. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House and such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

EXTENSION OF REMARKS

Mr. McCORMACK asked and was given permission to extend his remarks in the Appendix of the RECORD in two separate instances and in each to include extraneous matter.

Mr. WHITE of California asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

EXCISE TAXES

Mr. REES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES. Mr. Speaker, I am astonished that the leadership of this House indicates that excise taxes are all permanent taxes that will be continued for some time to come. I had hoped that we would receive a little encouragement by getting rid of at least a part of these excise taxes as quickly as may be done. We have got to cut expenses, of course, in order to cut taxes; this we all know. But it is unfortunate to be informed by the leadership that these taxes are to be permanent and to be continued. As I say, I had hoped we would be given some encouragement that we would get rid of excise war taxes instead of continuing them on.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. REES. I am glad to yield to the distinguished majority leader of the House. I am always glad to yield.

Mr. McCORMACK. Was it not the last Congress that made them permanent?

Mr. REES. Oh, no; the last Congress did not make any taxes permanent. As a matter of fact, it gave some consideration to repealing a part of the war taxes that were supposed to be temporary. This Congress ought to relieve the country of at least a part of unnecessary burdensome war-excise taxes.

The SPEAKER. The time of the gentleman from Kansas has expired.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—HIGHWAY NEEDS FOR THE NATIONAL DEFENSE (H. DOC. NO. 249)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and together with the accompanying papers, referred to the Committee on Public Works and ordered printed with illustrations:

To the Congress of the United States:

I transmit herewith a letter from the Administrator of the Federal Works Agency, enclosing a report on Highway Needs of the National Defense.

The report was prepared at the request of the Congress by the Commissioner of Public Roads in cooperation with the several State highway departments. In compliance with the request, the Secretary of Defense and the National Security Resources Board were invited to cooperate and have responded with suggestion of the indicated or potential needs for improved highways for the national defense. An expression of the views of the National Military Establishment, which has the concurrence of each of the military departments and agencies, is appended.

The larger part of the report presents information in detail concerning the condition of the highways of the country and their fitness to meet defense and civil needs, with particular reference to the national system of interstate highways. There is indication also of certain measures intended to permit the taking of prompt highway improvement action in the event of a national emergency.

This report is a useful document. I recommend it to the consideration of the Congress in connection with such further provision as may be made for the continuance of Federal aid for highway construction.

HARRY S. TRUMAN.

THE WHITE HOUSE, *June 30, 1949.*

CLAIMS CHARGEABLE AGAINST LAPSED APPROPRIATIONS; UNEXPENDED BALANCES

Mr. DAWSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3549) to permit the Comptroller General to pay claims chargeable against lapsed appropriations and to provide for the return of unexpended balances of such appropriations to the surplus fund, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Page 2, lines 6 and 7, strike out "on the books of the General Accounting Office."

Page 2, lines 10 and 11, strike out "the balances of the respective lapsed appropriations so transferred" and insert "the respective balances of any lapsed appropriations."

Mr. HALLECK. Mr. Speaker, reserving the right to object, I wonder if the chairman of our committee discussed the matter with the ranking minority member.

Mr. DAWSON. I did, and with all members of the committee, also with the majority and minority leaders.

Mr. HALLECK. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The amendments were concurred in.

A motion to reconsider was laid on the table.

AMENDMENT OF FEDERAL EMPLOYEES' COMPENSATION ACT

Mr. DELANEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 265 providing for the consideration of the bill (H. R. 3191) to amend the act approved September 7, 1916 (ch. 458, 39 Stat. 742), entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," as amended, by extending coverage to civilian officers of the United States and by making benefits more realistic in terms of present wage rates, and for other purposes, and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3191) to amend the act approved September 7, 1916 (ch. 458, 39 Stat. 742), entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," as amended, by extending coverage to civilian officers of the United States and by making benefits more realistic in terms of present wage rates, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. DELANEY. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN], and at this time I yield myself 3 minutes.

Mr. Speaker, this resolution makes in order consideration of the bill H. R. 3191, which is a bill to provide just compensation for employees of the United States who have suffered injury while in the performance of their duties.

The Federal Employees' Compensation Act has been in existence for nearly 33 years. During that time the scale of compensation and benefits for disability and death have been modified on only one occasion, in 1927. Twenty-two years have elapsed without revision of the act. In order to place the scale of benefits in line with the present upswing in wages the major purpose of the bill is to make benefits more realistic in terms of the present wage rate so as to enable a disabled Federal employee and his family to maintain themselves when the employee's wages and his wage-earning capacity has been destroyed or impaired through accident or disease directly attributable to his employment.

The bill has been unanimously reported and the Committee on Rules has provided for 2 hours' general debate.

Mr. ALLEN of Illinois. Mr. Speaker, the gentleman from New York has correctly advised the House in reference to this resolution. There are no requests for time on this side.

Mr. DELANEY. Mr. Speaker, I yield such time as he may desire to the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MCCORMACK. Mr. Speaker, there retires today after 32 years' distinguished service an Army officer who is held in high esteem on Capitol Hill. This officer, Maj. Gen. Wilton B. Persons, has been closely associated with the House of Representatives during the war and postwar years and I believe that those of us who have come to know and consequently to like and to have confidence in Jerry Persons—and I daresay we number most if not all the Members of the House—will want to join me in wishing him good luck and Godspeed.

General Persons is the officer who served as chief of congressional liaison for the Army before and during World War II. More recently, when the National Military Establishment was created, General Persons was elevated to the position of Director of Legislative Liaison in the Office of the Secretary of Defense.

General Persons during his tenure in these positions rendered invaluable assistance to the Congress, the Military Establishment, and to the country. His keen appreciation of legislative matters, together with his great tact, energy, judgment, and personal integrity, have been important factors in the growth of closer mutual understanding of the problems of the Congress and the Military Establishment.

General Persons has had the confidence of Secretaries Stimson, Patterson, Royall, Forrestal, and Johnson. Perhaps the most significant testimonial to General Persons' work has come from General Marshall during World War II when he denied all requests from overseas commanders for General Persons' services despite General Persons' great desire for combat duty. In turning down one such request Marshall has written, "There are few men in the Army whom I consider irreplaceable and Persons is one of them."

Since the war, General Persons has continued his outstanding service amidst the tremendous and difficult problems that have confronted the Military Establishment. As one Member of Congress, I am reluctant to see this fine soldier, patriot, and American leave the Military Establishment. He richly merits the Nation's gratitude.

Mr. DELANEY. Mr. Speaker, I yield such time as he may desire to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, the gentleman from New York [Mr. DELANEY], who has called up this resolution, has ably explained the rule and the justification and need for this legislation. I have

made a careful study of the bill and the effect of its various provisions, and at this point shall briefly give a résumé of the sections of the four titles of the bill.

Title I:

Section 101 permits compensation payment for first 3 days if disability is longer than 21 days.

Employee permitted to use annual or sick leave with approval of department head.

Section 102, loss or loss of use of two major members of body or blindness regarded as prima facie.

Permanent total disability is only overcome upon substantial rehabilitation of the employee or proof of substantial earning after injury.

Section 103 permits administrator to accept unsworn report of earnings.

Forfeiture of compensation if injured employee knowingly misstates his earnings.

Section 104 provides schedule for permanent partial disability where there is total or partial or loss of use of limb or part thereof, an eye, or hearing.

Compensation payable to all kinds of injuries causing permanent disability, including those cases in which disability is total.

Upon death for causes other than injury unpaid scheduled award is payable to specified beneficiaries ordinarily entitled to death benefits.

Section 105 provides increase of 8⅓ percent of monthly pay for totally disabled and 8⅓ percent increase of the difference between such pay at time of injury and reduced earning capacity.

Limits circumstances under which wife, child, or parent is considered a dependent.

Increases present maximum of $50 to $75 a month.

Disabled individual undergoing vocational rehabilitation.

Provides a minimum compensation of $112.50 per month—present law providing $58.33—for total disability.

Net effect of changes and additions is to increase by 8⅓ percent of the loss of earnings the basic compensation of 66⅔ percent, in view of the greater need of employee with a dependent or dependents than a single employee.

Section 106 increases death claim for compensation from 66⅔ percent to 75 percent.

Readjustment of percentage of payments to widow or dependent widower.

Administrator in his judgment may make payment direct to minor.

Section 107 increases burial expenses from $200 to $400.

Section 108 enlarges definition of employee.

Section 109 increases substances allowances for those beneficiaries where disability or death occurred prior to the act.

Title II. Technical amendments:

Section 201 authorizes Administrator to direct any permanently disabled employee to undergo vocational rehabilitation.

Section 203 defines elements of pay to be considered in making determination of employees' method of computing pay.

Section 204 determines wage-earning capacity in partial-disability cases.

Section 205, Federal Security Administrator charged with administration of act.

Section 206, compensation paid under mistake of law or fact to be recovered or award canceled.

Title III:

Section 301, time limitation applying to notice of injury or death outside United States during war.

Title IV: Provision for liberalization of the minimum and maximum compensation for emergency relief workers.

THE BIRTH OF WORKMEN'S COMPENSATION

Mr. Speaker, the principle involved in compensating employees injured in Government and civilian employment has been close to my heart for many years because I introduced the first workmen's compensation bill to provide for injured employees in 1908—41 years ago.

I submitted the original draft of my bill to the House Committee on Interstate and Foreign Commerce for their views. I was happy to learn later that the gentlemen on this committee were so impressed that they in turn submitted my draft to President Theodore Roosevelt. The President, having studied this proposed bill, urged that it should be introduced by a Republican instead of by a Democrat. When I was informed of this, I immediately asked for the return of the bill so that I might introduce it myself, because after all, I had spent many, many months of study and preparation on the subject and theory of workmen's compensation and I did not want it to be taken from me; I felt that I was justly entitled to the credit therefor.

A few days after I had introduced my bill embodying therein the principles of compensation that I had tried to perfect, I received information that it would meet with President Roosevelt's favor—for he should be given credit for favoring all progressive and humane legislation.

Soon after, I received a letter from the President asking me to come to the White House to see him. Being a new Member, I realized the reason for his request. However, after further studying my bill, I concluded that several of its provisions must be amended and I, consequently, delayed my visit to the President until I could perfect the bill further.

During the interim, three outstanding friends of mine called on me asking me to take them to the White House to enable them to meet the President on reception day. It was the custom of those days that on each Wednesday from 12 to 1 o'clock, the President would have a reception whereby Members and Senators could visit him and bring along their friends. Of course, the demands upon the President were not as great then as they are today. I explained to my friends that I had never visited the White House before; however, I would have my secretary, who was familiar with these Presidential receptions, take them to the White House. They insisted that I take them along, and I could not resist their demands.

On a Wednesday about noon, my friends and I went to the White House. There was a long receiving line when we entered. I gave my name and that of my friends to the President's secretary, who in turn relayed same to the President when our turn in line was reached. Apparently the President did not catch my name at that time. As I was walking away from the President, I noticed that his secretary was whispering something to him, and as I surmised, he pointed out the fact that I was the man he had asked to see. Whereupon President Theodore Roosevelt turned around and in a loud voice said: "Judge SABATH, have you not received my letter asking you to come and see me?" I nearly fell to the floor with surprise, but my friends were jubilant. I acknowledged receiving the letter he sent me and stated further that I would see him as soon as I had completed the amendments that I was working on to perfect my bill. Within a few seconds, he again turned to me and said: "Judge SABATH, please don't go away—remain, for I want to talk to you about your great bill and I want to congratulate you not only on your bill but on the statement that you inserted in the CONGRESSIONAL RECORD explaining the principles of workmen's compensation. You did not say that your statement was a speech for you embodied it in the Appendix as an extension of remarks." And then he added, in the presence of many Members and other guests who were still in the receiving line: "The Congressmen here don't do that. They prefer inserting remarks into the body of the RECORD in order to make the people back home think that they have made a speech. For that I commend you."

By that time I was the center of attraction and it gave me a great deal of publicity. As a matter of fact, it did not hurt my feelings one bit.

Mr. Speaker, I could not resist the temptation today of recalling this incident, for some 39 years later my bill is being liberalized and broadened so as to provide increased compensation for injured Government employees. I hope that I will be forgiven for explaining the real story about the beginning of workmen's compensation in our country.

I assure you, Mr. Speaker, it was not an easy task to bring about the adoption of that humane principle. Though my original bill was not passed, a committee was appointed to investigate the theory and principle of compensation as I originally advocated, and 2 years later a bill was reported which unfortunately was highly inadequate as compared to the contents of my bill. Yes—to such an extent that I could not vote for it, declaring then and there that I was seeking to bring about a real injured workmen's compensation and not a railroad relief bill.

In those days I devoted much more time to that legislation than I could today, and expended almost a year's salary to familiarize the country, the Members of both bodies, the State officials, labor and social organizations, with the benefits to be accrued from this type of legislation. As a matter of fact, my efforts also extended to the universities and, in fact, to all those individuals and groups whom I thought might be helpful in aiding this legislation.

It is for these reasons, Mr. Speaker, that today, in consideration of the increased costs of living, compensation for injured and disabled Government employees is well in order.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield, as I always do, to the distinguished gentleman from Massachusetts.

Mr. McCORMACK. The gentleman has been a leader all of his life in progressive legislation. He has always stood for everything that is noble and uplifting. I am proud to make this observation. I consider the gentleman from Illinois [Mr. SABATH] to be one of God's noblemen, a man who is an inspiration to all of us. He well deserved the respect and honor of the late President as he does of President Truman. In addition, he has the respect of everyone who knows him or knows of him. Because of his noble integrity and his fine nobility of mind and character, he is honored by everyone who either knows him or knows of him.

Mr. SABATH. Mr. Speaker, naturally I greatly appreciate that statement by my friend the majority leader. I do not know that I actually deserve all that he has said about me, but I will say that I have endeavored to be a servant of the people that need aid and assistance, and I hope I shall continue as long as I live to try to be of assistance to those who are worthy and who need assistance.

Mr. DELANEY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. KELLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3191) to amend the act approved September 7, 1916 (ch. 458, 39 Stat. 742), entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," as amended, by extending coverage to civilian officers of the United States and by making benefits more realistic in terms of present wage rates, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 3191, with Mr. DEANE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. KELLEY. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, this bill was reported out unanimously from the Committee on Education and Labor. Both the minority and majority members of the committee recognized the need for this legislation in order to amend the Federal Employees' Compensation Act of 1916. Nothing has been done to improve the Federal Employees' Compensation Act since 1927.

Therefore, we all recognized that such improvement was long overdue.

The question has been raised as to the cost involved. The cost of Federal employees compensation today, under the present act, is about $13,000,000 a year. Under the improved rates of compensation, as provided in this bill, another $7,000,000 a year is added. A retroactive feature has been provided to take care of those employees who have been permanently injured as in the case of the loss of an arm or leg. The retroactive provision goes back to January 1, 1940. That provision adds another $8,000,000 to the cost. The total cost would be $28,000,000. The $8,000,000 which is added as a result of the retroactive provision will be eliminated at the end of 6 years so that the actual cost under the new act will be $20,000,000 a year after 6 years.

Mr. Chairman, there is nothing more that I can add, except to say that during the war many serious accidents occurred where employees in ordnance plants and powder plants were permanently injured and many of them lost arms and legs and eyes. It became necessary to recognize that situation and help them and help their families, since the minimum rate under the present act is $58.33 a month, but under the new act it will be $112.50 a month, minimum benefit for disability, and we all know that under present living conditions, even that is not too high.

The members of the committee also felt that it was necessary to change the rates in order to bring the compensation in line with the compensation granted in various States of the Union. I can say that as the bill now stands the compensation rates are perhaps the average throughout the United States, better than in some States, and not as good as in others. But at least the law will give help to those who need it.

Mr. McCONNELL. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, as has been said by the gentleman from Pennsylvania [Mr. KELLEY], this bill was reported out unanimously by the Committee on Education and Labor. I am sure that all of us are proud of that fact. We may have a good deal of controversy on some other matters, but this bill was reported out of committee without a single dissenting vote.

Mr. Chairman, I would like to call attention to several things in connection with this particular bill. It has been 22 years since any change has been made in the compensation being paid under the Federal Employees' Compensation Act. With the increased cost of living, it was felt by all that it was correct and just that changes be made in the Compensation Act. So, accordingly, the committee went over the provisions of the original bill and various amendments were adopted.

While I realize there is no opposition to the bill, I would like to take a few moments to go into a little more detailed discussion.

Mr. Chairman, this bill would make numerous amendments to the Federal Employees' Compensation Act. Most of the proposed amendments are of a technical nature—either to provide easier and less expensive administration of the act—or to make the language of one section of the act to conform with the changed language of another section. Generally speaking, the major purpose of this bill is to give more liberal disability benefits to Government workers who are injured in the line of duty. It has been 22 years since the disability compensation for Federal workers was adjusted, and the provisions of the present act have become obsolete in the light of changed economic conditions. I think that all of the members of the Education and Labor Committee agree that Government employees are entitled to greater protection from the economic hazards of physical disability. Since there is general agreement on the need for this legislation, I will confine myself to an explanation of the general purposes of the bill.

The Federal Employees' Compensation Act provides certain financial benefits to Government employees who are disabled in their work—and to the families of employees who are killed. In each case, the act sets a maximum and a minimum on disability and death benefits. The maximum benefits are limited by a fixed dollar amount and also by a percentage of the employees' salary before his injury or death. This bill eliminates the fixed dollar limitation in most cases, and also increases the percentage limit. It also increases the minimum payments guaranteed to disabled employees, and to the widows and children of employees who are killed.

First, let us take the case of a disabled employee. The present act guarantees him $58.33 a month for total disability. This bill would guarantee him $112.50. Besides increasing his minimum guaranty, the bill also raises the maximum amount a disabled employee may receive. The present law limits disability compensation to 66⅔ percent of the employee's salary. In addition to this percentage limit, the present law imposes a dollar maximum of $116 a month on disability payments no matter what amount the employee would be entitled to as a percentage of his salary. This bill eliminates the dollar limitation, and compensation is based entirely on the employee's salary. Under the bill a totally disabled employee is given 75 percent of his salary if he has a wife or children to support. If without dependents, he receives two-thirds of his salary, as he does under present law.

A widow of an employee killed in Government service now receives 35 percent of his salary as compensation under present law. In addition she receives 10 percent of his salary for each child. If she has no children, she would receive 45 percent of her husband's salary under this bill. If she has children she would receive 40 percent for herself, and 15 percent for each child. The present law also imposes both a dollar and a percentage maximum limit on payments to the family of a worker killed in Government service. No matter how many children the widow has, her compensation cannot exceed two-thirds of his salary, and no matter how great his salary, her compensation cannot exceed $1,400 a year.

The maximums and minimums I have mentioned apply only to employees who are totally disabled, or to the families of

employees who are killed. Employees who are partially disabled would receive the same under the bill as they do under the present law—that is two-thirds of the amount by which their earning power has been reduced because of the disability. The partial-disability section of the bill has been amended to make it easier to administer.

Under the present law, an employee who loses a hand, arm, eye, or other member, receives nothing unless the injury disables him. Even if he is disabled, the loss of a member is considered only a partial disability—and his compensation is based on the loss of his earning power. This bill sets up a new standard to compute the compensation for an employee who loses a member, or the use of a member. The bill first provides a schedule of payments for a fixed period after the loss of the member. For example, an employee who loses an arm will receive compensation for 312 weeks in the same amount as if here totally disabled. The schedule in the bill provides a different period of time during which total disability is presumed because of loss of different members, or the use of members. After this period, the employee may still be eligible for partial-disability benefits based on the loss of his earning power.

Only those Government workers who fit within the definition of "employees" are eligible for disability benefits under the present act. This bill would extend coverage to all those who render personal service to the Government in a civilian capacity, including elected and appointed officials.

Burial benefits are raised to $400 instead of the $200 provided now. Helpless employees are allowed $75 a month for an attendant instead of $50 now permitted.

Employees may use their accumulated sick leave—and that way have full pay—before taking their smaller benefits under employees' compensation. The present law requires disabled employees to get permission from the head of their agency before taking sick leave after a disabling injury. At present, employees cannot be paid for the first 3 days of disability—this bill permits payment for the first 3 days if the disability continues for more than 21 days.

I favor the enactment of this bill to relieve some of the financial hardships which accompany physical disability of Federal employees. As the committee points out in its report:

> There is no dispute that great hardships are being imposed upon disabled Federal employees or their dependent families and that many of them are left with the only alternative of relying upon charity or the help of their friends to afford them the barest kind of existence. The great Government of the United States, as a matter of common justice to its employees, should remedy this situation and should restore to the employees that measure of security which is necessary to maintain them during disablement, and their dependent families after death due to employment injuries.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I yield.

Mr. GRANGER. Would the provisions of this bill cover an employee of the Soil Conservation Agency or the Bureau of Land Management, an employee who is employed in the field driving a tractor, or something of that sort?

Mr. McCONNELL. I believe it does. That is my understanding.

Mr. GRANGER. I have in mind a case where a young man had both legs cut off. He has had unemployment compensation but it has run out and he cannot get any more. I am wondering if, under the provisions of this bill, he could get additional compensation.

Mr. McCONNELL. It is my understanding that he would be given consideration if this bill is passed.

Mr. GRANGER. Would that be true of the CCC, where a boy had lost the sight of both eyes? Would he be an employee, under the terms of this bill? Many accidents occurred with boys who were working in that service. Would they be considered as Federal employees?

Mr. KELLEY. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I yield.

Mr. KELLEY. No; because that was prior to the effective date of this act. For instance, you mean they lost an arm or a leg?

Mr. GRANGER. Lost both eyes.

Mr. KELLEY. He would not come under it, because that expired in January 1940. This goes back as far as January 1, 1940.

Mr. McCONNELL. It is retroactive, for the loss of a major member.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I yield.

Mr. WADSWORTH. Am I correct in my understanding that this bill applies to Members of Congress?

Mr. McCONNELL. It does at the present time. I understand an amendment will be submitted to change that particular section.

Mr. WADSWORTH. Is there any present law of a similar character applying to Members of Congress?

Mr. McCONNELL. I am not aware of a similar law applying to Members of Congress.

Mr. WADSWORTH. May I ask the gentleman from Pennsylvania [Mr. McCONNELL] concerning the funeral expenses provided in this bill at $400. Am I correct in my statement that the funeral allowance for a deceased veteran is only $150?

Mr. McCONNELL. I believe the gentleman is correct. This bill increases the funeral benefits from $200 to $400 for employees covered under the act.

Mr. WADSWORTH. Does the gentleman believe it should be doubled, made almost three times as large as the burial allowance for a veteran?

Mr. BURKE. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I yield.

Mr. BURKE. The funeral allowance in this bill is in line with the Longshoreman Compensation Act funeral allowance of $400. That is how the committee arrived at that figure of $400. As far as veteran's funeral allowance is concerned, what the gentleman says is true. Of course, this is not the Veterans' Affairs Committee. This legislation is not for the purpose of veteran disabilities or veteran payments. This is for Federal employees. This committee, of course, has no jurisdiction over veteran payments.

Mr. WADSWORTH. It strikes me the discrepancy will be rather conspicuous and that we are setting a precedent here which will shortly be followed. The funeral allowance under any law will rise to that proposed in this bill.

Mr. McCONNELL. It is also important to note that veterans' funeral allowances are different from the allowances under this bill. The allowance here provided applies only to employees who are killed or who die as a result of injuries arising out of employment with the Federal Government.

Mr. WADSWORTH. That is true, of course; I understand that to be the case, but it strikes me that it is pretty extravagant.

Mr. McSWEENEY. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I yield.

Mr. McSWEENEY. I wish to address my request to the gentleman from Ohio [Mr. BURKE].

Is there any difference between a veteran who dies as a noncompensated veteran and one who is compensated in the matter of the $150?

Mr. BURKE. I do not know the answer to that question.

Mr. McSWEENEY. I know the gentleman had a very interesting answer for me the other day, and I thought it was on that basis. I thought there was a difference between the case of a compensated veteran and one who had never been connected with veterans' insurance.

Mr. BURKE. Does the gentleman mean that the compensable comes under this bill?

Mr. McSWEENEY. Under the veterans' bill. Does the gentleman happen to know about that?

Mr. BURKE. I do not know about that, but if a veteran dies while in the employ of the United States Government he receives this death benefit.

Mr. McSWEENEY. Would he also receive the death benefit under his veterans' compensation?

Mr. BURKE. I imagine so, but I do not know for sure.

Mr. McCONNELL. Mr. Chairman, I do not wish to prolong this debate unduly, but before I conclude I think it is proper that we pay tribute to our colleague on this side, the gentleman from New York [Mr. KEATING], who last year introduced a somewhat similar bill. That bill was reported unanimously by the Committee on Education and Labor of the House. In the early part of this session he also introduced a bill very similar to the original bill introduced by the chairman of the committee, the gentleman from Michigan [Mr. LESINSKI]. From those bills were evolved the present piece of legislation now under consideration.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I gladly yield to the gentleman from New York [Mr. KEATING].

Mr. KEATING. Mr. Chairman, I appreciate very much the remarks of the distinguished ranking minority member

of the Committee on Education and labor, the gentleman from Pennsylvania [Mr. MCCONNELL]. He and the other members of the committee are to be commended for the constructive and nonpartisan approach which they have accorded the consideration of this important and long-awaited legislation.

As the gentleman has indicated, more than 2 years ago, on April 28, 1947, I introduced in the Eightieth Congress H. R. 3239, designed to make more realistic, in the light of existing living costs and wage rates the compensation paid to a Federal employee injured in line of duty or to his widow and family in the event of injury resulting in death, and also to make provision, in line with the progressive State laws, for a scheduled number of weeks' compensation in the case of loss of a member of the body.

This bill received unanimous favorable action of the House Committee on Education and Labor in the last Congress, but was not considered by the House itself, due to the legislative log jam.

On the opening day of this session I introduced H. R. 76, which was followed 1 week thereafter by the introduction of an identical bill by the chairman of the committee, the gentleman from Michigan [Mr. LESINSKI]. Then later, on March 3, 1949, he offered the bill now before us, which has been recommended for passage by the Director of the Bureau of Employees' Compensation.

Although I have been a loud protester against the size of the Federal pay roll and believe it can and should be substantially reduced, I am no less firm in my conviction that we have a duty and responsibility to extend to those who continue as employees of the Government, every protection which would be afforded them in industry or private employment.

In 1916 Congress adopted a Federal workmen's compensation law. In 1927 it was amended in some respects. But for 22 years since that time there has been no change in the rate of compensation to be paid to those who receive injuries arising out of, and in the course of, their employment. In the meantime, living costs have soared, as have salaries and wages, to the point where they are scarcely comparable with those of the twenties. Yet if a Government worker is laid up through injury today, he receives two-thirds of his pay, with a top limit of $116.66 a month. What amounted to two-thirds of pay in 1927 is more like two-fifths of pay.

This bill raises the maximum from $116.66 to $225, and the minimum from $58.33 to $112.50 a month.

The bill also increases the benefits to widows and children from 35 to 50 percent in the case of widows, and from 25 to 35 percent in the case of dependent children.

Furthermore, a serious deficiency in the compensation law is rectified by the bill before us. The inadequacy of existing law was forcibly brought to my attention by a case involving one of my constituents, which caused my original interest in this subject and the introduction of legislation in the Eightieth Congress. A young man had tried to enlist in the Navy during the war but was turned down because of a stomach condition. He then became director of a proving ground in a civilian capacity, and did outstanding service in the field of explosives in the development of the now famous proximity fuse.

In an explosion in late 1944 his hand was so badly injured that it had to be amputated. If he had been wearing a uniform at the time he would have become the beneficiary, and quite properly so, of many benefits from a grateful Nation. I was quite amazed to find, on checking into it, that under the Federal workmen's compensation law, no provision is made to compensate civilian employees who receive such permanent injuries resulting in the loss of an arm, leg, hand, foot, eye, or loss of hearing.

Parenthetically, may I say that this constituent has, with rather unusual conscientiousness, declined my offer to introduce a private bill for his benefit.

The legislation before us corrects this situation, which I consider a deficiency in our obligation as a Nation to those who faithfully serve us daily as our employees. This bill provides a specified number of weeks' compensation in case of the loss, or loss of use, of an arm, leg, hand, foot, eye, finger or toe, or loss of hearing, to the extent of two-thirds of his monthly pay subject to the same maximum limitations, as follows:

Member lost:	*Number of weeks' compensation*
Arm	312
Leg	288
Hand	244
Foot	205
Eye	160
Thumb	75
First finger	46
Great toe	38
Second finger	30
Third finger	25
Toe, other than great toe	16
Fourth finger	15
Loss of hearing, both ears	200
Loss of hearing, 1 ear	52

There are further provisions covering loss of vision, serious disfigurement of the face, head, or neck, which would act as a handicap in securing or maintaining employment, and many other details which are explained in the committee's report.

In general, I favor the enactment of this legislation in the form in which it has been presented to us and approve of the respects in which it differs from the measure of which I was the author. There is one exception to this general statement, which is found on page 19, where it is sought to bring Members of Congress within the benefits of this legislation. I believe it is neither necessary nor appropriate for us to take this step and am opposed to the extension of the provisions of this law to Members of Congress. It is intended to benefit employees, not officials, or high-salaried officers in the legislative or executive branches. I have understood that an amendment will be offered to strike out this provision, which I hope will be adopted.

This legislation fulfills a long-standing need. It warrants overwhelming support.

Mr. MCCONNELL. Mr. Chairman, I have no further requests for time on this side.

Mr. KELLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. BURKE].

Mr. BURKE. Mr. Chairman, I do not intend to take a great deal of time because anything I may say about this bill would be pretty much repetition of what has been said already. At the risk of being a bit repetitious, however, of the chairman of the subcommittee and the ranking minority member of the committee, I would like to point out that this is the first attempt at modernization of the workmen's compensation as set up for Federal employees since 1927. It is really the first major amendment to the Federal Employees Workmen's Compensation Act since enactment of the original law back in 1916.

The changes that are suggested in this bill are indicated as being very necessary to bring our workmen's compensation set-up in line with various State laws that have kept pace with modern times.

May I point out also that this bill sets up a schedule of compensation for the loss of members of the body on a permanent partial-payment system similar to the States of New York and Ohio. That is responsible for the additional cost of the bill. It is well to note that although estimates have been given of some $8,000,000 in additional cost, and for the retroactive feature of the bill another seven or eight million dollars over a period of 6 years, at the same time the bill eliminates tort claims and special acts of Congress that have come up from time to time for the compensation of employees for the loss of members they may have suffered, which system in itself gives rise to some discrimination because one Congress may award a certain amount to an individual for the loss of an arm, let us say, and another Congress would award a different amount, either more or less, for the loss of the same kind of member.

We feel that setting up this schedule will do much to straighten out and to put on an equitable basis payments for the loss of members of the body.

The death benefits have been increased, as has been pointed out. The funeral allowances have been increased also. I will not go into any of the other provisions of the bill which have been adequately covered by two members of the committee who have spoken before.

This bill, I would like to reiterate, has received the unanimous recommendation of the Committee on Education and Labor, and prior to that by the subcommittee charged with the responsibility of considering the bill and holding hearings on it.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. BURKE. I yield to the gentleman from Utah.

Mr. GRANGER. Is there any reason why the retroactive feature of it was fixed as 1940?

Mr. BURKE. Yes.

Mr. GRANGER. What was the reason?

Mr. BURKE. That was the nearest date that we could reach to the beginning

of the national defense program and the tremendous increase in Federal employment because of war activities and national defense activities.

Mr. McCONNELL. Mr. Chairman, will the gentleman yield?

Mr. BURKE. I yield to the gentleman from Pennsylvania.

Mr. McCONNELL. Was not another reason that the real cost of living began to be noticeable at about that date—1940?

Mr. BURKE. Yes.

Mr. GRANGER. Would the setting of this date back in 1935 increase the amount of this bill very materially?

Mr. BURKE. Oh, yes; it would increase it. As to how much, would be a guess on my part, probably an additonal four or five million dollars a year, and cover the same 6-year period as the other retroactive increase would cover.

Mr. McSWEENEY. Mr. Chairman, will the gentleman yield?

Mr. BURKE. I yield to the gentleman from Ohio.

Mr. McSWEENEY. I want to say that I feel, as a new Member, that the gentleman has inspired confidence in us, especially on labor matters, and I am very proud to hear the sentiments expressed by the gentleman from Ohio on this question. I was also interested in what the gentleman from New York said. I am interested in the broad differential between the bare expenses of soldiers and the men that come under this bill. Was that discussed in the gentleman's committee?

Mr. BURKE. No; that was not discussed, and probably for this reason, that no one thought of it in the first place. In the second place, in setting our figure, we arrived at the figure by virtue of a like amount that was set in a similar bill in a similar act of the Congress, that covers the payment of workmen's compensation to employees in the longshore industry. Of course, that is on a private individual basis, through private employers. But, the schedules and the payments, of course, are dictated by law, and the amount that we arrived at, the $400 funeral allowance, was identical with the $400 funeral allowance in that longshore bill.

Mr. McSWEENEY. Were any of the State industrial commission laws taken into consideration?

Mr. BURKE. Yes. We considered the laws of New York, Ohio, and so on.

Mr. McSWEENEY. How do they compare? Does the gentleman remember?

Mr. BURKE. Does the gentleman mean in the matter of funeral allowance?

Mr. McSWEENEY. Yes.

Mr. BURKE. Some are about this figure, some are a little lower, and some are way below.

Mr. McSWEENEY. I merely have the experience as director of welfare of Ohio that our allowance for indigent patients was something like $90, and at that time we could give them quite a good funeral.

Mr. BURKE. That was for indigents?

Mr. McSWEENEY. Yes.

Mr. BURKE. That was not workmen's compensation. I think the lowest workmen's compensation rate in Ohio was $125. That was in the original workmen's compensation act there. Since that time, in practically every session of the legislature, there have been some changes in their Workmen's Compensation Act, and, as you know, it is usually an agreed bill that comes before the legislature, and as the years went on that was increased. I believe the session that I was a member of the legislature—and I was coauthor of the act—we raised it at that time to $240, and it has been raised since then at least three times that I know of, so that it is now in the neighborhood of $350 to $400.

Mr. McSWEENEY. I thank the gentleman.

Mr. BURKE. I do not know what the exact figure is, because the present legislature in Ohio has further increased it, but to what extent I have not been informed.

Mr. KELLEY. Mr. Chairman, we have no further requests for time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Federal Employees' Compensation Act Amendments of 1949."

TITLE I—SUBSTANTIVE AMENDMENTS

WAITING PERIOD MODIFIED

SEC. 101. (a) Section 2 of the act approved September 7, 1916 (ch. 458, 39 Stat. 742) (hereafter in this act referred to as the "Federal Employees' Compensation Act"), as amended (5 U. S. C., 1946 edition, sec. 752), is hereby amended to read as follows:

"SEC. 2. That with respect to the first 3 days of temporary disability the employee shall not be entitled to compensation except as provided in section 9, unless such disability exceeds 21 days in duration or is followed by permanent disability."

(b) Section 8 of such act (5 U. S. C., 1946 edition, section 758), is amended to read as follows:

"SEC. 8. If at the time the disability begins the employee has annual or sick leave to his credit he may use such leave until it is exhausted, in which case his compensation for disability shall not begin, and the time periods specified in section 2 shall not begin to run, until the annual or sick leave has ceased."

BASIC BENEFIT FOR TOTAL DISABILITY

SEC. 102. Section 3 of the Federal Employees' Compensation Act, as amended (5 U. S. C., 1946 edition, sec. 753), is hereby amended to read as follows:

"SEC. 3. (a) Except as otherwise provided in this act, if the disability is total the United States shall pay to the disabled employee during such disability a monthly monetary compensation equal to 66⅔ percent of his monthly pay, which shall be known as his basic compensation for total disability.

"(b) Loss, or loss of use, of both hands, or both arms, or both feet, or both legs, or both eyes or the sight thereof, or of any two thereof shall, prima facie, constitute permanent total disability."

BASIC BENEFIT FOR PARTIAL DISABILITY

SEC. 103. (a) Section 4 of the Federal Employees' Compensation Act, as amended (5 U. S. C., 1946 edition, sec. 754), is further amended to read as follows:

"SEC. 4. (a) (1) Except as otherwise provided in this act, if the disability is partial the United States shall pay to the disabled employee during such disability a monthly monetary compensation equal to 66⅔ per centum of the difference between his monthly pay and his monthly wage-earning capacity after the beginning of such partial disability, which shall be known as his basic compensation for partial disability.

"(2) The Administrator may require a partially disabled employee to make an affidavit or other report, in such manner and at such times as the Administrator may specify as to his earnings, whether from employment or self-employment. In such affidavit or other report the employee shall include, when required, the value of housing, board, lodging, and other advantages which are part of his remuneration for employment or are earnings in self-employment and which can be estimated in money. If such dividual, when required, fails to make such affidavit or other report, or if in such affidavit or report the employee knowingly omits or understates any part of such earnings or remuneration, he shall forfeit his right to compensation with respect to any period for which such report was required to be made, and such compensation, if already paid, shall be recovered by deducting the amount thereof from the compensation payable to him or otherwise recovered in accordance with section 38, unless such recovery is waived pursuant to such section.

"(b) If a partially disabled employee refuses to seek suitable work or refuses or neglects to work after suitable work is offered to, procured by, or secured for him, he shall not be entitled to any compensation."

(b) Section 39 of such act (5 U. S. C., 1946 edition, sec. 789), is amended by inserting, after "affidavit" the words "or report."

SCHEDULED DISABILITIES

SEC. 104. Section 5 of the Federal Employees' Compensation Act, as amended (5 U. S. C., 1946 edition, sec. 755), is amended to read as follows:

"SEC. 5. (a) In any case of permanent disability which involves solely the loss, or loss of use, of a member or function of the body, or disfigurement, as provided in the following schedule, basic compensation for such disability shall, in addition to compensation for any temporary total or temporary partial disability, be payable to the disabled employee for the period specified in such schedule at the rate of 66⅔ per cent of his monthly pay and shall, except as otherwise provided in subsection (b), be in lieu of compensation for such permanent disability under the preceding sections of this act:

"(1) Arm lost, 312 weeks' compensation.
"(2) Leg lost, 288 weeks' compensation.
"(3) Hand lost, 244 weeks' compensation.
"(4) Foot lost, 205 weeks' compensation.
"(5) Eye lost, 160 weeks' compensation.
"(6) Thumb lost, 75 weeks' compensation.
"(7) First finger lost, 46 weeks' compensation.
"(8) Great toe lost, 38 weeks' compensation.
"(9) Second finger lost, 30 weeks' compensation.
"(10) Third finger lost, 25 weeks' compensation.
"(11) Toe other than great toe lost, 16 weeks' compensation.
"(12) Fourth finger lost, 15 weeks' compensation.
"(13) Loss of hearing: (A) Complete loss of hearing of one ear, 52 weeks' compensation; (B) complete loss of hearing of both ears, 200 weeks' compensation.
"(14) Binocular vision or percentage of vision: Compensation for loss of binocular vision or for 80 percent or more of the vision of an eye shall be the same as for the loss of the eye.
"(15) Phalanges: Compensation for loss of more than one phalanx of a digit shall be the same as for loss of the entire digit. Compensation for loss of the first phalanx shall be one-half of the compensation for loss of the entire digit.
"(16) Amputated arm or leg: If, in the case of an arm or a leg, the member is amputated above the wrist or ankle, compensation shall be the same as for the loss of the arm or leg, respectively.

"(17) Two or more digits: Compensation for loss, or loss of use, of two or more digits, or one or more phalanges of each of two or more digits, of a hand or foot, shall be proportioned to the loss of use of the hand or foot occasioned thereby.

"(18) Total loss of use: Compensation for permanent total loss of use of a member shall be the same as for loss of the member.

"(19) Partial loss or partial loss of use: Compensation for permanent partial loss or loss of use of a member may be for proportionate loss or loss of use of the member. The degree of loss of vision or hearing under this schedule shall be determined without regard to correction.

"(20) In any case in which there shall be a loss or loss of use, of more than one member or parts of more than one member as enumerated herein, the award of compensation shall be for the loss, or loss of use, of each such member or part thereof, which awards shall run consecutively, except that where the injury affects only two or more digits of the same hand or foot, subparagraph (17) of this schedule shall apply, and that where partial bilateral loss of hearing is involved, compensation shall be computed upon the loss as affecting both ears.

"(21) Disfigurement: Proper and equitable compensation not to exceed $3,500 shall, in addition to any other compensation payable under this schedule, be awarded for serious disfigurement of the face, head, or neck, if of a character likely to handicap a person in securing or maintaining employment.

"(b) Notwithstanding the provisions of subsection (a) of this section and the provisions of sections 3 and 4, if the injury causes the total and permanent loss, or loss of use, of an arm, hand, leg, foot, or eye (including loss of binocular vision), or total and permanent loss of hearing of both ears, whether or not the disability also involves other impairments of the body, the individual's basic compensation for such disability, in addition to compensation for periods of temporary total or temporary partial disability, shall be 66⅔ percent of his monthly pay for the period specified for such loss, or loss of use, in the schedule to subsection (a) of this section (including paragraphs (16) and (20) thereof), and with respect to any subsequent period shall be as provided in section 3 if the disability is total or as provided in subsection (a) of section 4 if the disability is partial.

"(c) The period of compensation payable under the schedule to subsection (a) of this section on account of any injury shall be reduced by the period of compensation paid or payable under such schedule on account of a prior injury if compensation in both cases is for disability of the same member or function, or different parts of the same member or function, or for disfigurement, and the Administrator finds that compensation payable on account of the subsequent disability in whole or in part would duplicate the compensation payable on account of the preexisting disability. In such cases, for the purposes of disabilities specified in subsection (b), compensation for disability continuing after the schedule period shall commence upon expiration of such period as reduced under this subsection.

"(d) (1) If an individual who has sustained disability compensable under subsection (a) (including any disability compensable under the schedule to subsection (a) by virtue of subsection (b)), and who has filed a valid claim in his lifetime, dies, from causes other than the injury, before the expiration of the compensable period specified in such schedule, the compensation specified in such schedule and unpaid at the individual's death, whether or not accrued or due at his death, shall be paid, under an award made before or after such death, for the period specified in such schedule, to and for the benefit of the persons then in being within the classes and in the proportions and upon the conditions specified in this subsection and in the order named:

"(A) to the widow (as defined in section 10 (H) or wholly dependent widower (as specified in section 10 (B)), if there is no child (as so defined) under the age of 18 or incapable of self-support; or

"(B) if there are both such a widow or widower and such a child or children, one-half to such widow or widower and the other half to such child or children; or

"(C) if there is no such widow or widower but such a child or children, then to such child or children; or

"(D) if there is no survivor in the above classes, then to the parent or parents wholly or partly dependent for support upon the decedent, or to other wholly or partly dependent relatives listed in section 10 (F), or to both, in such proportions as may be provided by regulation; or

"(E) if there is no survivor in any of the above classes, and no burial allowance is payable under section 11, then such amount, not exceeding the amount which would be expendable under section 11 if such section were applicable, shall be paid to reimburse any person or persons, equitably entitled thereto, to the extent and in the proportions that they shall have paid the expenses of burial of such disabled individual, but no compensated insurer or other person obligated by law or contract to pay such expenses, and no State or political subdivision or entity, shall be deemed so equitably entitled.

"(2) Except for the amount of such compensation payable with respect to any period preceding the disabled individual's death, the payments to be made under paragraph (1) shall be at the basic rate of compensation for permanent partial disability specified in subsection (b) (a) of this section, even if at the time of such death the decedent was entitled to the augmented rate specified in section 6 (a).

"(3) (A) The right of any surviving beneficiary listed in paragraph (1) to any payment pursuant to this subsection, except a beneficiary under clause (E) thereof, shall be conditioned upon his being alive to receive such payment and no such beneficiary shall have a vested right to any such payment.

"(B) The entitlement of any beneficiary to payments under clauses (A) to (D) of paragraph (1) shall cease upon the happening of any event which would terminate the right of such beneficiary to compensation for death under section 10. Upon the cessation of the entitlement of any beneficiary under such clauses (A) to (D), the compensation remaining unpaid under paragraph (1) which would have been payable to him had such entitlement continued shall be payable to the surviving beneficiary or beneficiaries, if any, within the same class or, if there are none, then to the beneficiary or beneficiaries next entitled to priority under such paragraph."

ELIMINATION OF MAXIMUM AND INCREASE OF MINIMUM BENEFIT AMOUNT—DEPENDENTS' BENEFITS, AND SO FORTH

SEC. 105. (a) Section 6 of the Federal Employees' Compensation Act, as amended (5 U. S. C., 1946 edition, sec. 756), is further amended to read as follows:

"SEC. 6. (a) (1) While the disabled employee has one or more dependents, his basic compensation for disability payable under section 3 or section 5 (a) (including compensation payable under the schedule to section 5 (a) by virtue of section 5 (b)) shall be augmented at the rate of 8⅓ percent of his monthly pay, and his basic compensation for disability payable under section 4 (a) shall be augmented at the rate of 8⅓ percent of the difference between his monthly pay and his monthly wage-earning capacity.

"(2) As used in this subsection, the term 'dependent' shall mean any of the following:

"(A) A wife, if (i) she is a member of the same household as the employee or is receiving regular contributions from him toward her support, or (ii) he has been ordered by any court to contribute to her support.

"(B) A husband, if wholly dependent by reason of his own physical or mental disability upon the employee for support.

"(C) An unmarried child (as defined in section 10 (H)), while such child (i) is under 18 years of age or, if over 18, is incapable of self-support by reason of mental or physical disability, and (ii) is living with the employee or receiving regular contributions toward his support from the employee.

"(D) A parent (as defined in section 10 (H)), while wholly dependent upon and supported by the employee.

"(b) (1) In addition to the monthly compensation otherwise specified in this act, the Administrator may pay an injured employee, who has been awarded compensation for permanent total disability from injury, an additional sum of not more than $75 a month, as the Administrator may deem necessary, when the Administrator shall find that the service of an attendant is necessary constantly to be used by reason of the employee's being totally blind, or having lost both hands or both feet or the use thereof, or being paralyzed and unable to walk, or by reason of other total disability actually rendering him so helpless as to require constant attendance.

"(2) The Administrator may pay to any disabled individual who is undergoing vocational rehabilitation pursuant to the Administrator's direction under section 9 (b) additional compensation necessary for his maintenance, but not to exceed $50 per month.

"(c) Except as otherwise authorized under section 42, the monthly rate of compensation for total disability, including any augmented compensation payable by reason of subsection (a) but not including any sum payable by reason of subsection (b), shall not be less than $112.50 per month, unless the employee's monthly pay is less in which case his monthly rate of compensation shall be equal to his full monthly pay.

"(d) (1) In the case of any person who at the time of the injury was a minor or employed in a learner's capacity and who, prior to the injury, was not physically or mentally handicapped, the Administrator shall, on any review under section 37 after the time when the wage-earning capacity of such person would probably, but for the injury, have increased, prospectively recompute the monetary compensation payable for disability on the basis of an assumed monthly pay corresponding to such probable increased wage-earning capacity. The Administrator may, on any review under section 37 after a disabled employee has attained the age of 70 years and the wage-earning capacity of the disabled employee would probably, aside from and independently of the effects of the injury, have decreased on account of old age, prospectively recompute the monetary compensation payable for disability on the basis of an assumed monthly pay corresponding to such probable decreased wage-earning capacity.

"(2) If a disabled individual, without good cause, fails to apply for and undergo vocational rehabilitation when so directed pursuant to section 9 (b), and the Administrator, upon review under section 37, finds that in the absence of such failure the individual's wage-earning capacity would probably have substantially increased, the Administrator may prospectively reduce the individual's monetary compensation in accordance with what would probably have been his wage-earning capacity in the absence of such

failure, until the individual in good faith complies with the Administrator's direction."

INCREASE IN DEATH BENEFITS, AND SO FORTH

SEC. 106. (a) Section 10 of the Federal Employees' Compensation Act, as amended (5 U. S. C., 1946 edition, sec. 760), is further amended by striking out "66⅔" wherever it occurs and inserting in lieu thereof "75"; by striking out "35" in clauses (A) and (B) and inserting in lieu thereof "45"; by striking out in clause (C) the words "the compensation payable under clause (A) or clause (B)" and inserting in lieu thereof "40 percent"; by striking out "10" in clauses (C) and (D) and inserting in lieu thereof "15"; and by striking out "25" in clause (D) and inserting in lieu thereof "35."

(b) Clause (K) of such section, as amended, is further amended to read as follows:

"(K) In computing compensation under this section the monthly pay shall be considered not to be less than $150, but the total monthly compensation shall not exceed the monthly pay computed as provided in section 12."

(c) Clause (B) of such section, as so amended, is further amended to read as follows:

"(B) To the widower, if there is no child, 45 percent if wholly dependent for support, by reason of his physical or mental disability, upon the deceased employee at the time of her death. This compensation shall be paid until his death or marriage or until he becomes capable of self-support."

(d) Such section, as so amended, is further amended by striking out the second sentence of clause (C), the last sentence of clause (D), and the last sentence of clause (G).

(e) Clause (L) of such section, as so amended, is amended to read as follows:

"(L) If any person entitled to compensation under this section or section 5 or 6, whose compensation by the terms of this or of such other section ceases or is to be reduced upon his marriage or upon the marriage of his dependent, accepts any payments or compensation after such marriage, he shall be punished by a fine of not more than $2,000 or by imprisonment for not more than 1 year, or by both such fine and imprisonment."

LIBERALIZATION OF BURIAL PAYMENTS

SEC. 107. Section 11 of the Federal Employees' Compensation Act, as amended (5 U. S. C., 1946 edition, sec. 761), is further amended to read as follows:

"SEC. 11. If death results from the injury the United States shall pay, to the personal representative of the deceased employee or otherwise, funeral and burial expenses not to exceed $400, in the discretion of the Administrator. In the case of an employee whose home is within the United States, if his death results from the injury while he is away from his home or official station or is outside of the United States, or if his death results from other causes while he is away from his home or official station for the purpose of receiving medical or other services, appliances, or supplies under section 9 or examination under section 21, and if so desired by his relatives, the body shall, in the discretion of the Administrator, be embalmed and transported in a hermetically sealed casket to the home or last place of residence of the employee at the expense of the employees' compensation fund. If, in such cases, request for return of the body is not made by the decedent's relatives, the Administrator may provide for the disposition of the remains and incur, and cause payment from the employees' compensation fund of, such necessary transportation, funeral, and burial expenses as under the circumstances shall be reasonable."

EXTENSION OF COVERAGE, AND SO FORTH

SEC. 108. (a) Section 40 of the Federal Employees' Compensation Act, as amended (5 U. S. C., 1946 edition, sec. 790), is further amended, by designating the paragraphs thereof, following the introductory phrase, as paragraphs "(a)", "(b)", "(c)", "(d)", "(e)", "(f)", "(g)", and "(h)", respectively.

(b) Paragraph (b) of such section, as so designated, defining the term "employee", is further amended to read as follows:

"(b) The term 'employee' includes (1) all civil officers and employees of all branches of the Government of the United States (including Members of Congress and officers and employees of instrumentalities of the United States wholly owned by the United States); (2) commissioned officers of the Regular Corps of the Public Health Service; (3) officers in the Reserve of the Public Health Service on active duty; (4) persons rendering personal services of a kind similar to those of civilian officers or employees of the United States or to any department, independent establishment, or agency thereof (including instrumentalities of the United States wholly owned by it), without compensation or for nominal compensation, in any case in which acceptance or use of such services is authorized by an act of Congress or in which provision is made by law for payment of the travel or other expenses of such person; and (5) persons, other than independent contractors and their employees, employed on the Menominee Indian Reservation in the State of Wisconsin, subsequent to September 7, 1916, in operations conducted pursuant to the act entitled 'An act to authorize the cutting of timber, the manufacture and sale of lumber, and the preservation of the forests on the Menominee Indian Reservation in the State of Wisconsin', approved March 28, 1908, as amended, or any other act relating to tribal timber and logging operations on the Menominee Reservation."

(c) Paragraph (c) of such section, as so designated defining the term "commission", is further amended by inserting "former" after the words "to the" and by striking out the words "provided for in section 28."

(d) Paragraph (f) of such section, as so designated, defining the term "monthly pay", is further amended by inserting, immediately before the period, the following: "except when otherwise determined under section 6 (d) with respect to any period."

(e) Such section is further amended by adding thereto a new paragraph "(i)" reading as follows:

"(i) The term 'Administrator' means the Federal Security Administrator."

INCREASE OF COMPUTATION BASE WHERE INJURY OCCURRED BEFORE JULY 1, 1946

SEC. 109. Notwithstanding any other provision of this act or of the Federal Employees' Compensation Act, the monthly pay upon the basis of which compensation for disability or death is computed under the Federal Employees' Compensation Act, is amended, shall, effective on the first day of the first calendar month following enactment of this act, be increased by 40 percent if the injury (or injury causing death) occurred before January 1, 1941, or by 10 percent if the injury (or injury causing death) occurred on or after such date but before July 1, 1946, except that such increase shall in neither event exceed $50. This section shall apply to any case of death caused by such an injury, regardless of whether such death occurs or occurred before or after the enactment of this act.

TITLE II—TECHNICAL AMENDMENTS

EXCLUSIVENESS OF REMEDY

SEC. 201. Section 7 of the Federal Employees' Compensation Act, as amended (5 U. S. C., 1946 edition, sec. 757), is further amended by inserting the designation "(a)" immediately before the first sentence thereof and by adding to such section a new subsection reading as follows:

"(b) The remedy afforded to any person under this act with respect to his own injury or the death of another individual shall, unless otherwise specifically provided by law, be the exclusive remedy against, and be in place of any other legal liability of, the United States or any of its instrumentalities wholly owned by it, on account of such injury or death, where such liability is determinable by direct judicial proceedings at law in admiralty, or by proceedings under any other workmen's compensation law or under any Federal tort liability statute."

SEC. 202. Section 9 of the Federal Employees' Compensation Act, as amended (5 U. S. C., 1946 edition, sec. 759), is amended by inserting before the first sentence thereof the designation "(a)" and by adding at the end of such section a new subsection reading as follows:

"(b) The Administrator may direct any permanently disabled individual whose disability is compensable under this act to undergo vocational rehabilitation and shall make provision for furnishing vocational rehabilitation services in such cases. In providing for such services, the Administrator shall, insofar as practicable, utilize the services or facilities of State agencies (or corresponding agencies in Territories or possessions) cooperating with him in carrying out the purposes of the Vocational Rehabilitation Act, as amended, except to the extent that the Administrator provides for furnishing such services under subsection (a) of this section. The cost of providing such services to individuals undergoing vocational rehabilitation pursuant to such direction shall be paid from the employees' compensation fund, except that in reimbursing any State agency (or corresponding agency of a Territory or a possession) under any arrangement pursuant to this subsection there shall be excluded any cost to such agency reimbursable in full under section 3 (a) (4) of the Vocational Rehabilitation Act, as amended."

COMPUTATION OF PAY

SEC. 203. Section 12 of the Federal Employees' Compensation Act (5 U. S. C., 1946 edition, sec. 762) is amended to read as follows:

"SEC. 12. (a) In computing monetary compensation for disability or death upon the basis of monthly pay, such pay shall be determined in accordance with the provisions of this section.

"(b) The value of subsistence and quarters, and of any other form of remuneration in kind for services if its value can be estimated in money, shall be included as part of the pay. Overtime pay, or additional pay or allowance authorized outside the United States because of differential in cost of living or other special circumstance, or bonus or premium pay for extraordinary service (including amounts paid as bonus for particularly hazardous service in time of war) shall not be taken into account. The term 'overtime pay,' as used in this subsection, means pay for hours of service in excess of those of a statutory or other basic workweek, or other basic unit of work time, as observed by the establishment in which the employee is employed.

"(c) (1) The monthly pay at the time of injury shall be deemed to be one-twelfth of the employee's average annual earnings at that time, except when compensation is paid upon a weekly basis, the weekly equivalent of such monthly pay shall be deemed to be one fifty-second of such average annual earnings: *Provided*, That, for so much of the period of total disability as does not exceed 90 calendar days from the date of the beginning of compensable disability, the compensation may, in the discretion of the Administrator, be computed on the basis of the employee's actual daily wage at the time of injury and in that event he may be paid compensation for such days as he would have worked but for the injury.

"(2) Average annual earnings shall be determined as follows:

"(A) If the employee worked in the employment in which he was working at the time of his injury during substantially the whole of the year immediately preceding such injury, his average annual earnings shall consist of the product obtained by multiplying his daily wage for the particular employment, or the average thereof if the daily wage has fluctuated, by 300 if he was employed on the basis of a 6-day workweek, 280 if employed on the basis of a 5½-day week, and 260 if employed on the basis of a 5-day week, except that if the employment was in a position for which an annual rate of compensation was fixed, such average annual earnings shall consist of such annual rate of compensation.

"(B) If the injured employee did not work in such employment during substantially the whole of such year, but the position was such as would have afforded employment for substantially a whole year, then the average annual earnings of such employee shall be equal to the average annual earnings of an employee of the same class working substantially the whole of such immediately preceding year in the same or similar employment by the United States in the same or neighboring place, as determined in accordance with clause (A).

"(C) If either of the foregoing methods of determining the average annual earnings of an injured employee cannot reasonably and fairly be applied, such average annual earnings shall be such sum as, having regard to the previous earnings of the injured employee in Federal employment, and of other employees of the United States in the same or most similar class working in the same or most similar employment in the same or neighboring locality, or to other previous employment of such employee, or to any other relevant factors, shall reasonably represent the annual earning capacity of the injured employee in the employment in which he was working at the time of the injury: *Provided*, That his average annual earnings shall consist of not less than 150 times the average daily wage which he shall have earned in such employment during the days when so employed within the period of 1 year immediately preceding his injury.

"(D) Such rules shall, so far as practicable, be also applied in the case of an employee serving without pay or at nominal pay: *Provided*, That (i) the average annual earnings shall in no event exceed the basic rate of annual compensation specified under the Classification Act of 1923, as amended, for positions in grade CAF–15 or P–8 at the bottom of such grade, and (ii) if his average annual earnings cannot reasonably and fairly be determined in the manner otherwise provided in this section, such average annual earnings shall be determined at the reasonable value of the service rendered but not in excess of $3,600 per annum.

"(d) As used in this section the term 'year' means a period of 12 calendar months, or the equivalent thereof as specified in regulations issued by the Administrator."

COMPUTATION OF WAGE-EARNING CAPACITY

SEC. 204. Section 13 of the Federal Employees' Compensation Act (5 U. S. C., 1946 edition, sec. 763), is amended to read as follows:

"SEC. 13. (a) In the determination of an employee's wage-earning capacity after the beginning of partial disability, the rules specified in section 12 (b) shall apply.

"(b) The wage-earning capacity of an injured employee, in determining compensation for partial disability other than permanent partial disability compensable under section 5 (a), shall be determined by his actual earnings if such actual earnings fairly and reasonably represent his wage-earning capacity: *Provided, however*, That if the employee has no actual earnings, or his actual earnings do not fairly and reasonably represent his wage-earning capacity, such wage-earning capacity as shall appear reasonable under the circumstances of the case shall be determined, having due regard to the nature of his injury, the degree of physical impairment, his usual employment, and any other factors or circumstances in the case which may affect his capacity to earn wages in his disabled condition."

ADMINISTRATOR SUBSTITUTED FOR COMMISSION

SEC. 205. (a) Section 28 of the Federal Employees' Compensation Act, as amended, is amended to read as follows:

"SEC. 28. This act shall be administered by the Administrator."

(b) Section 28a of such act is repealed, but such repeal shall not be construed to revive any independent bureau or other agency abolished by such section.

(c) (1) The word "commission" (or other designation of the commission), and the word "it" or "its" whenever they refer to the commission, in any part of such act, are struck out wherever necessary in order to give effect to subsection (a) of this section, and the words "Administrator" and "he" or "his," respectively, are inserted in lieu thereof.

(2) In addition, the phrase ", or any commissioner by authority of the commission," in section 29 of such act is struck out.

OVERPAYMENTS

SEC. 206. Section 38 of the Federal Employees' Compensation Act (5 U. S. C., 1946 ed., sec. 788), is amended to read as follows:

"SEC. 38. (a) Subject to the provisions of sections 36 and 37, whenever by reason of an error of fact or law an overpayment has been made to an individual under this act, proper adjustments shall be made, under regulations prescribed by the Administrator, by decreasing subsequent payments to which such individual is entitled. If such individual dies before such adjustment has been completed, adjustments shall be made by decreasing subsequent benefits, if any, payable under this act with respect to such individual's death.

"(b) There shall be no adjustment or recovery by the United States in any case where incorrect payment has been made to an individual who is without fault and where adjustment or recovery would defeat the purpose of this act or would be against equity and good conscience.

"(c) No certifying or disbursing officer shall be held liable for any amount certified or paid by him to any person where the adjustment or recovery of such amount is waived under subsection (b), or where adjustment under subsection (a) is not completed prior to the death of all persons against whose benefits deductions are authorized."

SHORT TITLE

SEC. 207. The Federal Employees' Compensation Act, as amended, is further amended by adding thereto at the end thereof a new section as follows:

"SEC. 43. This act may be cited as the 'Federal Employees' Compensation Act.'"

TITLE III—TRANSITIONAL PROVISIONS AND EFFECTIVE DATE

EXTENSION OF TIME LIMITATIONS

SEC. 301. (a) Where an individual with respect to whose disability or death compensation is claimed under the Federal Employees' Compensation Act, as amended, was injured or died outside the United States on or after December 7, 1941, and before August 11, 1946, the time limitations of such act with respect to the giving of notice of injury and the filing of a claim for compensation shall not begin to run until the date of enactment of this act.

(b) As used in this subsection, the term "United States" includes only the States, Alaska, Hawaii, Puerto Rico, the Virgin Islands, and the Canal Zone.

COMPROMISE SETTLEMENTS—PRIVATE ACTS

SEC. 302. The provisions of this act shall not be construed to authorize the payment of any compensation under the Federal Employees' Compensation Act in any case where, pursuant to private relief legislation, a beneficiary of such legislation has accepted payment of a grant in satisfaction of the liability of the United States (or its corporation, agency, or other instrumentality) in such case, or where such liability has been compromised and settled, or other satisfaction received, as the result of any action sounding in tort or under maritime law, or where a lump sum has been received under section 14 of the Federal Employees' Compensation Act and the lump-sum award is not modified or set aside for other reasons.

EFFECTIVE OPERATION

SEC. 303. (a) Except as otherwise provided by this section or in this act, unless I and II of this act shall take effect on the date of enactment of this act and be applicable to any injury or death occurring before or after such date.

(b) The amendments made by section 101 of this act to sections 2 and 8 of the Federal Employees' Compensation Act shall not apply to any period of disability commencing before the enactment of this act.

(c) The amendments made by sections 102, 103, 105, and 106 of this act to sections 8, 4 (a), 6, 10, and 39 of the Federal Employees' Compensation Act shall be applicable to cases of injury or death occurring before enactment of this act only with respect to any period beginning on or after the first day of the first calendar month following the enactment of this act.

(d) (1) The amendments made by section 104 of this act to section 5 of the Federal Employees' Compensation Act, establishing special provisions for permanent disability involving the loss, or loss of use, of a member or function of the body, or disfigurement, shall apply retroactively to any case in which the injury occurred within 1 year prior to the enactment of this act: *Provided*, That where the injury occurred before such enactment, except in cases specified in subsection (b) of section 5 of such act, as so amended, the injured employee shall not be entitled to compensation under the schedule unless within 1 year after such date of enactment he elects to receive compensation under the schedule if so entitled: *And provided*, That in the event of such election, all amounts theretofore paid on the basis of loss of wage-earning capacity as compensation for permanent partial disability involving a loss, or loss of use, of a member or function, or disfigurement, as specified in the schedule shall be credited against any compensation awarded by reason of such amendment.

(2) No payment upon death pursuant to section 5 (d) of the Federal Employees' Compensation Act, as amended by this act, shall be made unless death occurs after such enactment. In the event of such death, the election required by paragraph (1) of this subsection shall be deemed to have been made.

(e) Section 107 of this act, amending section 11 of the Federal Employees' Compensation Act, shall apply only to deaths occurring after the enactment of this act.

(f) (1) The amendments made by section 108 of this act to the definition of the term "employee" contained in section 40 of the Federal Employees' Compensation Act shall, as to any case of injury or death occurring before the date of enactment of this act, apply only to injuries or deaths occurring on or after December 7, 1941, and compensation (including medical or other benefits) in any such case shall not be paid for any period earlier than the first day of the first month following enactment of this act and, in cases of disability caused by such an injury, shall be limited to compensation for

permanent partial or permanent total disability.

(2) The time limitations of the Federal Employees' Compensation Act with respect to the giving of notice of injury and the filing of a claim for compensation, in any case brought within the purview of section 40 of such act by this act, shall not begin to run until the date of enactment of this act.

(g) The amendment made by section 201 of this act to section 7 of the Federal Employees' Compensation Act, making the remedy and liability under such act exclusive, shall not apply to any case of injury or death occurring prior to the enactment of this act in which liability other than that arising under such act, or any extension thereof, was finally determined prior to the enactment of this act.

(h) The amendments made by sections 203 and 204 of this act to sections 12 and 13 of the Federal Employees' Compensation Act, pertaining to the determination of the employee's pay or his wage-earning capacity, may, in the interest of justice and in the discretion of the Administrator, be applied in any case, irrespective of the date of injury or death, so as to cause payments of compensation, with respect to any period not earlier than the first day of the first month after enactment of this act, to be consistent with such amendments.

TIME LIMITATIONS NOT EXTENDED

SEC. 304. Except as otherwise expressly provided, the enactment of this act shall not suspend or defer the running, of the time limitations of the Federal Employees' Compensation Act with respect to the giving of notice of injury and filing of a claim for compensation.

TITLE IV

LIBERALIZATION OF MAXIMUM COMPENSATION FOR EMERGENCY RELIEF WORKERS

SEC. 401. (a) Clauses (a), (b), and (c) of the second proviso to section 1 of the act approved February 15, 1934 (ch. 13, 48 Stat. 351), are hereby amended to read as follows:

"(a) that the aggregate monetary compensation in any individual case, except compensation for death or for permanent total disability, shall not exceed the sum of $4,000 and that the monthly monetary compensation shall not in any event exceed $100, both exclusive of medical costs;

"(b) that, in lieu of the minimum limit on monthly compensation for disability established by section 6 and the minimum limit on the monthly pay on which death compensation is to be computed as provided by section 10 (K) of such act, the monthly pay on the basis of which compensation for disability or death is computed shall be deemed to be not less than $75 and compensation shall be payable on the basis of such pay regardless of the actual pay at the time of injury or death, except that the Federal Security Administrator may from time to time, by regulation, fix a lower minimum monthly pay as a basis for computing such compensation as to any class of individuals, specified in the fourth paragraph of section 42 of such act, as amended, who sustained injury or were killed outside the continental United States;

"(c) that the Federal Security Administrator may from time to time, subject to the above limitations, establish a special schedule of compensation for disability and for death (including a special schedule of compensation for the loss, or loss of use, of members or functions of the body), and compensation under such schedule shall be in lieu of all other compensation in such cases;".

(b) The first proviso to section 8 of the Emergency Relief Appropriation Act of 1937 (ch. 401, 50 Stat. 352, 356), and the first proviso to section 16 of the Emergency Relief Appropriation Act of 1938 (ch. 554, 52 Stat. 809, 814), are repealed.

(c) This section shall apply to any case heretofore or hereafter coming within the purview of such act of February 15, 1934, but no compensation shall, with respect to any case of injury or death occurring before the date of enactment of this act, accrue or be increased by reason of the enactment of this section for any period prior to the first day of the first month following the date of enactment of this act.

(d) The special schedule of compensation heretofore established pursuant to clause (a) of the second proviso to section 1 of such act of February 15, 1934, shall remain in effect until superseded by a new schedule established pursuant to the amendments made by this section.

MEMBERS OF WOMEN'S ARMY AUXILIARY CORPS

SEC. 402. Effective as of July 25, 1947, paragraph a of section 2 of the act approved July 25, 1947 (ch. 327, 61 Stat. 449, 451), is amended by striking out the semicolon at the end of the provision repealing the act of July 1, 1943 (57 Stat. 371), and the act of May 14, 1942 (56 Stat. 278), as amended, and inserting in lieu thereof a colon and the following proviso: *"Provided,* That section 11 of such act of May 14, 1942, shall remain in effect to the extent specified in section 5 of such act of July 1, 1943;".

Mr. KELLEY (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with and that it be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Page 4, line 2, strike out "when required."

Page 11, line 13, strike out "partial" and "(b)" and, in lieu of the latter, insert "(a) of this section."

Page 12, line 13, strike out "(a)."

Page 13, line 22, strike out "for permanent total disability from injury."

Page 14, line 1, substitute "totally" for "total."

Page 14, line 4, strike out the word "total"; insert after the word "disability" the words "resulting from the injury."

Page 17, line 9, following the word "accepts", insert "after such marriage."

Page 17, line 10, following the word "compensation", strike out the words "after such marriage," and insert "to which he is not entitled."

Page 19, line 9, strike out "or."

Page 20, line 20, strike out "is", and substitute therefor "as."

Page 21, line 14, strike out the words "unless otherwise specifically provided by law."

Page 21, line 16, strike out the comma after the word "States."

Page 21, line 17, strike out the words "wholly owned by it."

Page 21, line 19, strike out the words "at law" and insert in lieu thereof the words "in a civil action."

Page 21, line 20, after the word "proceedings" insert a comma and the following words: "whether administrative or judicial."

Page 26, line 8, after the word "earnings", insert "of such employee."

Page 27, line 6, strike out "(a)."

Page 27, line 22, after the word "Administrator" insert "The Administrator is authorized to delegate to any officer or employee of the Federal Security Agency any of the powers conferred upon him by this act."

Page 28, line 1, strike out the word "Section", and insert in lieu thereof "The first and third sentences of section."

Page 28, line 2, strike out the word "is" and insert instead the word "are."

Page 29, line 21, insert the following new section:

"FEES—PUNISHMENT FOR CONTEMPT

"SEC. 208. Section 23 of such act, as amended, is further amended to read as follows:

"'SEC. 23. (a) Fees for examinations made on the part of the United States under sections 21 and 22 by physicians who are not officers or employees of the United States and not under contract to the United States to render medical services to its employees shall be fixed by the Administrator. Such fees, and any sum payable to the employee under section 21, when authorized or approved by the Administrator, shall be paid from the employees' compensation fund.

"'(b) A claimant may be represented before the Administrator in any proceeding under this act by any person duly authorized by such claimant. No claim for legal services or for any other services rendered in respect of a case, claim, or award for compensation under this act, to or on account of any person, shall be valid unless approved by the Administrator. Any person who receives any fee or other consideration, or any gratuity on account of services so rendered, unless such fee, consideration, or gratuity, is so approved, or who solicits employment for himself or another in respect of any case, claim, or award for compensation under (or to be brought under) this act shall be guilty of a misdemeanor and upon conviction thereof shall, for each offense, be punished by a fine of not more than $1,000 or by imprisonment not to exceed 1 year, or by both such fine and imprisonment.

"'(c) If any person in proceedings before the Administrator or his duly authorized representative disobeys or resists any lawful order or process, or misbehaves during a hearing or so near the place thereof as to obstruct the same, the Administrator or his duly authorized representative shall certify the facts to the district court having jurisdiction in the place in which he is sitting (or to the District Court of the United States for the District of Columbia if he is sitting in such district) which shall thereupon in a summary manner hear the evidence as to the acts complained of, and, if the evidence so warrants, punish such person in the same manner and to the same extent as for a contempt committed before the court, or commit such person upon the same conditions as if the doing of the forbidden act had occurred with reference to the process of or in the presence of the court.'"

Page 33, line 4, strike out the words "or disfigurement," and insert after the word "shall" the phrase "(A) in cases within the purview of section 5 (b) or in cases of disfigurement."

Page 33, line 16, strike out the words "in which the injury" and insert in lieu thereof the words "where the injury occurred on or after January 1, 1940, and (B) in other cases, apply retroactively to injuries which."

Page 34, line 1, strike out the words "and provided" and insert in lieu thereof "Provided further."

Page 34, line 4, strike out the word "partial."

Page 34, line 8, at the end of subsection (d) (1) insert the following new sentence: *"And provided further,* That any award made under the provisions of this subsection shall be payable prospectively in the same manner as though the injury occurred after the enactment of this act."

Page 36, line 12, insert a new section 305 as follows:

"ACCIDENT PREVENTION AND ANNUAL REPORTS

"SEC. 305. Section 33 of the Federal Employees' Compensation Act, as amended, is further amended by designating the first two paragraphs thereof, respectively, subsections '(a)' and '(b)' and by adding a new subsection designated as '(c)', as follows:

"'(c) In order to reduce the number of accidents and injuries among Government officers and employees, encourage safe practices, eliminate work hazards and health risks, and reduce compensable injuries, the heads of the various departments and agencies are authorized and directed to develop, support, and foster organized safety promotion, and the President may also establish by Executive order a safety council composed of representatives of Government departments and agencies to serve as an advisory body to the Administrator in furtherance of the safety program carried out by the Administrator pursuant to this section, and the President may undertake such other measures as he may deem proper to prevent injuries and accidents to persons covered by this act.'"

Page 37, line 8, after the word "of", insert "minimum and."

The committee amendments were agreed to.

Mr. KELLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KELLEY: On page 19, line 2, strike out the following language: "(including Members of Congress and officers and employees of instrumentalities of the United States, wholly owned by the United States)", and insert in lieu thereof the following: "(including officers and employees of instrumentalities of the United States, wholly owned by the United States, but not including Members of Congress)."

The amendment was agreed to.

Mr. GRANGER. Mr. Chairman, I move to strike out the last word and ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. GRANGER. Mr. Chairman, I congratulate the committee for their labors in bringing out this very worthy piece of legislation. It is my intention to support it. I want to call the attention of the House to a condition which exists in the Western States and in all States that we call the mining States of this country. It so happened a year or two ago the Congress, unwisely, in my opinion, repealed the tariff on copper or suspended it. It was the intention as I understand at that time, that it would be reimposed after the crisis was over. However, that has not been done and it has resulted in a great injury to the mining industry of the West. That is not all that is wrong with the mining industry. The gentleman from California [Mr. ENGLE] had a bill before his Committee on Public Lands, which had for its purpose the stabilization of the mining industry. That bill is now before the Committee on Rules and as yet the Committee on Rules has not seen fit to grant a rule on it. We are in a serious condition in the mining States and if something is not done and done soon, a great many men are going to be unemployed who usually work in the mines.

Not only that, but the mines are going to be shut down and many of these properties upon which we depend for our strategic materials are going to stay closed down. Many people do not realize, perhaps, that when you shut a mine down, it fills up with water. That ruins the whole inner workings of the mine. That is what is happening at the present time. If this legislation is held in committee and not given an opportunity to be discussed, somebody must take the responsibility of closing the mines of the West.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield.

Mr. MURDOCK. The gentleman has used the future tense in speaking of unemployment. He should use the present tense of the verb. There is now unemployment. Some of the largest copper mines in the State of Arizona have closed down. Others have reduced their working force and their working hours. I am heartily in agreement with what the gentleman is telling the Congress.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield.

Mr. MILLER of Nebraska. I know what the gentleman says is true relative to the copper industry. I am wondering if the gentleman and his party would be in favor of having a little protection by way of tariff regulation on other things besides copper coming into this country. What would be the reaction of the gentleman giving other industries of this country just a little protection under tariff regulation?

Mr. GRANGER. I think the gentleman knows pretty well my attitude in that regard, but we are dealing with a practical and serious proposition now. I am speaking to the leadership on this side of the House, who have the responsibility for this legislation. It has been heard by a legislative committee and reported out, I think, with the unanimous vote of that committee. It is being held up under the guise that it does not conform with the present program. Of course that may be true, but we are demanding that we have a hearing, and when it comes time for the President to act on it he can act as he sees fit. But I think it is absolutely essential that something is done and done immediately, if we expect to save the small mine operators, and build up a stock pile of strategic materials that will be essential at any time we need them in the future.

I am asking the chairman of the Rules Committee to call up that bill and report it to the House so that we may have action upon it.

The CHAIRMAN. The time of the gentleman from Utah [Mr. GRANGER] has expired.

Mr. HALLECK. Mr. Chairman, I move to strike out the last word. I have asked for this time in order to inquire of the majority leader if he can tell us the program for next week.

Mr. McCORMACK. I will be glad to tell the gentleman.

Of course, Monday is Independence Day, and there will be no session.

On Tuesday, H. R. 4406, the Yugoslav claims bill. Of course, we have an agreement, and I hope the Members will enable us to carry out that agreement, that if there is any roll call it will go over until Wednesday.

On Wednesday we have the Consent Calendar and the Private Calendar.

S. 1008, the basing-point bill. Permission has already been granted to take up the Consent Calendar and the Private Calendar on Wednesday. If there are any suspensions, and I know of none now, I will advise the House on Tuesday and take it up with the leadership on the Republican side.

Thursday and Friday, H. R. 2960, the rural telephone bill; H. R. 1689, salary increase for Government heads; H. R. 3699, the Puerto Rican farm-loan bill.

Conference reports may be brought up at any time.

I want to call the attention of Members of the House that the House meets in the Ways and Means Committee room starting on Tuesday, July 5.

Mr. HERTER. Will the gentleman yield?

Mr. HALLECK. I yield.

Mr. HERTER. Can the gentleman advise us when the overtime bill will be taken up?

Mr. McCORMACK. Next week is a very busy week, and I could not get it on the program.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. DONDERO. I understood the gentleman to say that we are to meet in the caucus room of the Old House Office Building?

Mr. McCORMACK. No. The caucus room in the New House Office Building, which of course is the Ways and Means Committee room.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. VORYS. I do not know who gave the gentleman the assurance that there might not be a roll call on the Yugoslav claims bill. There is considerable opposition to that.

Mr. McCORMACK. I did not say there was any such agreement. I said if there was a roll call I hoped it could go over until Wednesday.

Mr. VORYS. That is not a noncontroversial bill.

Mr. McCORMACK. I understood that; the gentleman and I have had some talks on this; and I am sure the gentleman has no objection to any roll call going over until Wednesday.

Mr. HALLECK. I take it then that, if we should get to the point of a vote and a roll call were imminent, that the majority leader would ask unanimous consent that the vote go over to the following day.

Mr. McCORMACK. Exactly.

Mr. HALLECK. And if consent could not be obtained, then he would simply move that the House adjourn.

Mr. McCORMACK. Exactly; I should be glad to.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. CHURCH. Does the gentleman intend later today to take up Senate Joint Resolution 109, the bill that gives loans to veterans? The time expires tonight. The Senate resolution can be passed and become effective if it is considered today.

Mr. McCORMACK. On a matter of that kind, naturally I would consult the chairman of the committee having jurisdiction over it, just as any congressional

leadership on either side would consult either the chairman of the committee in control of the bill or the ranking minority member in his absence. I want to advise the gentleman frankly that that has been done. When I have knowledge I will not withhold it. It is the present intention to permit the amendments in the housing bill adopted yesterday covering S. 109 to go to conference.

Mr. CHURCH. Mr. Chairman, will the gentleman yield further?

Mr. McCORMACK. Certainly.

Mr. CHURCH. If Senate Joint Resolution 109 is brought up today and passed there can be no opposition to it, and then there will be no question of the legality of those loans. The leadership should pass it.

Mr. McCORMACK. There will be no difficulty in connection with the continuance of the activities of the agencies. My friend need not feel disturbed on that. The fact that my friend is so concerned over the legislation naturally creates an honest and justifiable suspicion in the minds of those who are proponents of the housing legislation, and that in no way impugns the very noble motives I am quite sure the gentleman has in trying to pressure us into action now.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. WHITE of California. Mr. Chairman, I move to strike out the last word and ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WHITE of California. Mr. Chairman, I take this time to make a brief explanation of a very important bill which I am dropping into the hopper at this time.

This bill provides for the consolidation of the civil functions of the Army engineers and the United States Bureau of Reclamation.

This is the most important reorganization procedure of all those recommended under the entire reorganization plan. As most of you will recall, the majority leader mentioned on the floor of the House a few days ago the fact that those who supported the Army engineers were holding up the entire reorganization bill. The conference committee fight on that bill was over the concessions that were desired on the part of those who supported the Army engineers. The bill I am today introducing will bring about a consolidation which is the most important part of the entire Hoover Commission report. Many of you have received letters and telegrams from your constituents urging you to support the findings of the Hoover Commission. I am anxious to see just how sincere a lot of people are on this reorganization proposition. Here is the test, right here in this bill, and I hope all the Members of the House will support it.

Mr. WADSWORTH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WADSWORTH. On page 17, line 21, strike out "$400" and insert "$250."

Mr. WADSWORTH. Mr. Chairman, of course, everyone in the Chamber who listened to the Clerk read the amendment understands what it does. I am in complete accord with every provision of this bill except that covering the funeral allowance. I fear we are establishing a precedent here that will plague us.

Under existing law for a veteran who dies, and he may die as the result of a service-connected injury after he has been discharged, there is a funeral allowance of $150. I do not believe we ought to make such a spread between the veteran at one end of the line, the $150, and the civilian employee of the Government, $400. Inevitably, Mr. Chairman, a drive will take place to raise the $150 to $400, and there are 18,000,000 potential beneficiaries. We are dealing in enormous figures. We are committing the Government by the establishment of a precedent of this sort to a tremendous expenditure just as sure as we are sitting in this Chamber. I cannot understand how it is that the committee which otherwise has done an excellent job failed, as the members of the committee have confessed that they failed, to give any consideration or even to inquire what the veteran's funeral allowance is. I do not mean to say unkind things, but practical minded men on this floor know that the undertaker will get the whole $400.

Mr. KEARNEY. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from New York.

Mr. KEARNEY. I was going to advance the thought the distinguished gentleman from New York has just stated, that where the veteran's funeral allowance is $150, and where the attempt is made to increase this from $200 to $400, there is not any question in my mind, as I have seen these cases come on from time to time, that the undertaker does get it all.

Mr. WADSWORTH. The undertaker gets it all. Do not labor under the delusion that the family is going to get the $400.

Mr. STEFAN. Mr. Chairman, will the gentleman yield.

Mr. WADSWORTH. I yield to the gentleman from Nebraska.

Mr. STEFAN. What is the figure in the gentleman's amendment?

Mr. WADSWORTH. I have suggested a compromise of $250, which is high enough.

Mr. STEFAN. Would the gentleman accept an amendment making it the same as the veteran gets?

Mr. WADSWORTH. I would not object to that, but under existing law, as I understand it, the civil employee's funeral allowance is $200. That is in the law as it stands today. I have suggested an increase of $50 but not up to $400.

Mr. McCONNELL. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Pennsylvania.

Mr. McCONNELL. I can appreciate the reason for the gentleman's offering this amendment, I can understand his concern with the difference between what is mentioned here, $400, and the $150 for veterans; however, there is one other thought. We believe that the $200 should certainly be increased in line with the entire thought of this bill. There has been no change in the Employees' Compensation Act for 22 years.

Mr. WADSWORTH. That is right.

Mr. McCONNELL. There have been great changes in the purchasing value of the dollar. Much of the purpose of this bill is to correct the amounts allowed by the act and adjust them to changes in economic conditions; therefore if it is $200 in an act which is 22 years old, you may say, and it has been 22 years since changes were made, it is my opinion it would be logical to assume there should be an increase in the amount of funeral benefits, which should be in line with the change in the value of the dollar and I would say that would be more than $50 as suggested by the gentleman's amendment.

Mr. WADSWORTH. I might subscribe to the argument presented by the gentleman from Pennsylvania were I not convinced that the family will never see the $400. The undertakers will get it all. What you are doing is giving the undertakers more money.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. KELLEY. Mr. Chairman, I rise in opposition to the amendment. Mr. Chairman, the gentleman from New York stresses the point that the family of a deceased veteran receives $150 for funeral expenses. This $400 is a piece of legislation that is for an entirely different purpose. It is for the death of a Federal civilian employee whose death is brought about by reason of his employment. It is very likely that in most cases it will be an accidental death or by reason of an accident that would contribute to his death. In the case of a veteran, regardless of how death ensues, funeral expenses of $150 are paid. Also, if the veteran's family receives $150 from the Veterans' Administration, the chances are that he is employed and he is covered by workmen's compensation by some employer, or by reason of the laws of the State in which he lives. So therefore, I cannot see the connection between the $150 paid for the death of a veteran and the Federal civilian employee who is killed or dies as the result of his employment.

The gentleman from New York also says that this would establish a precedent. Well, he need not worry about that, because the precedent has already been established in the Longshoremen's Act that gives $400 in the case of death which results from his employment.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. BURKE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I also would like to speak in opposition to the amendment offered by the gentleman from New York [Mr. WADSWORTH] for this reason: What he says about the greater amount of this benefit going to the undertaker is true. That is what it is for. It is an allowance for funeral expenses. The family is to receive compensation under the schedule set out in the bill in the event

of the death of the individual worker. I cannot understand the talk about 18,000,000 potential payments. According to the statistics that were presented to the committee, I believe there were in the neighborhood of an average of 200 or 250 deaths a year that resulted in the course of and arising out of the employment of the individual.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. BURKE. I yield to the gentleman from New York.

Mr. WADSWORTH. When I mentioned the 18,000,000 potential claims, I was referring to the veterans; inasmuch as one group of people have this $400, they will immediately begin to say, "We should have as much as $18,000,000."

Mr. BURKE. Oh, I see. The committee, in arriving at this $400 figure, took, first of all, into consideration the fact that $200 is the amount set out in the present act, and then looked at similar legislation adopted by the Congress—and I do not know which Congress adopted the Longshoremen's Workmen's Compensation Act—and noted that the amount set aside for funeral expenses was $400. So it is the same type of legislation covering the same general purposes, and the committee felt that the $400 was a justified amount. If it was justified in one act, it is justified in the other, and certainly the increased cost of that piece of service, in that type of funeral-expense service that is given, is justified by the increase that the committee sets forth in this bill. Therefore, I believe that all arguments point in the direction of the adoption of the bill itself, and I would like to reiterate or reemphasize my opposition to the amendment offered by the gentleman from New York.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. JACOBS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am not presently aware of what the allowance for the burial of a veteran is, but I am under the impression that there is a fixed allowance to bury a veteran regardless of what occasioned his death.

I do not propose to dwell on whether or not the allowance for the burial of a veteran is adequate or inadequate, because it is not germane to this bill. The question before the House today is, What is an adequate sum to bury a person? One who has lost his life in an accident arising out of his employment with the Government is entitled to be buried at the Government's expense.

I dare say that most of the men on this floor today have paid funeral bills at some time in their life. If you have, you know that $400 is not an excessive amount to pay for a decent funeral. I am not prepared to and will not advocate the waste of any of the Government's money, but I do not believe the United States Government has gotten so poor that it cannot afford to pay for a decent burial for those who are killed in the course of their employment by the Government.

The question of what the allowance is to the veteran is not germane to the subject that is being discussed here at all, because the question is, What does it cost for a decent burial today? I do not think $400 is excessive. We must meet the question of the veterans' allowance when, as, and if it comes up. I say to you that if it is not adequate and the Government owes an increase in the allowance for the veteran's funeral, I for one will vote for it. If I think it is adequate under all the circumstances, I will vote against it. But there is not a man here today that does not know that it takes at least $400 to give a person a decent burial, and there is not a man here who does not know that the people of the United States are willing and able to furnish a decent burial to anyone who dies in its service.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. WADSWORTH].

The question was taken; and on a division (demanded by Mr. JENKINS) there were—ayes 22, noes 28.

So the amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. MCCORMACK, having assumed the chair, Mr. DEANE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3191) to amend the act approved September 7, 1916 (ch. 458, 39 Stat. 742), entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," as amended, by extending coverage to civilian officers of the United States and by making benefits more realistic in terms of present wage rates, and for other purposes, pursuant to House Resolution 265, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

COMMITTEE ON THE JUDICIARY

Mr. HOBBS. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have until midnight to file reports on certain bills which were approved today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

THE HOUSING BILL

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BUCHANAN. Mr. Speaker, during the remarks of the distinguished majority leader [Mr. MCCORMACK] on the housing bill yesterday, the gentleman from Ohio [Mr. SMITH] disputed the statement of the majority leader that the low-rent public housing projects which will be assisted under the housing bill will be entirely locally owned. The gentleman from Ohio [Mr. SMITH] insisted that the majority leader was mistaken in making that statement.

Mr. Speaker, it was the gentleman from Ohio [Mr. SMITH] who was completely mistaken on this point. Under H. R. 4009, as well as under the existing public housing program, projects are owned by the local housing authorities which initiate and operate them from the outset. The Federal Government functions exclusively as banker and guarantor of the annual contributions for the project and could acquire ownership only if the local authority should default on its obligation or its contractual commitments. Furthermore, after the bonds financing the project have been fully amortized, the local housing authority would continue to own them free and clear of any debt and the Federal Government's liability and supervisory relationship would cease. Under H. R. 4009, it is expected that this amortization period will be completed within 29 to 33 years.

Mr. Speaker, during the debate yesterday the gentleman from Massachusetts [Mr. HERTER] also attempted to reply to the remarks of the majority leader by claiming that the aggregate annual contributions for public housing to be paid under H. R. 4009 will greatly exceed the construction costs of the projects and that the only honest way to develop such projects would be through 100 percent direct capital grants by the Federal Government to cover the full development cost of the projects. In making these claims, the gentleman from Massachusetts [Mr. HERTER] was confused both in his arithmetic and in his understanding of the housing legislation. On the basis of 810,000 housing units of public housing, the maximum development cost which would be permitted by the housing bill would be $6,844,000,000. If the Federal Government were to make 100 percent capital grants up to this amount, this $6,844,000,000 would clearly be an addition to the Federal debt and would result in a corresponding increase in the annual interest charges payable on that debt. Somehow the gentleman from Massachusetts [Mr. HERTER] completely overlooked the cost of money to the Federal Government. On the other hand, reasonable estimates of the probable annual contributions which would be required for 810,000 public-housing units range between $6,900,000,000 and $7,850,000,000 over a period of 29 to 33 years. When those aggregate figures are discounted at 2½ percent, which represents the cost of long-term money to the Federal Government, the present value of the actual contributions which will be

paid on that housing ranges between $4,850,000,000 and $5,300,000,000, or substantially less than the development cost of the projects.

YUGOSLAV CLAIM BILL

Mr. VORYS. Mr. Speaker, I ask unanimous consent for permission to file minority views on the bill H. R. 4406, the Yugoslav claim bill. I had previously obtained such permission, thinking that it had been granted in such form as to be continuing, but am renewing my request in the event of any doubt.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

EXTENSION OF REMARKS

Mr. GAMBLE asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. RANKIN asked and was given permission to revise and extend the remarks he made today and include certain newspaper articles.

Mr. O'HARA of Illinois asked and was given permission to revise and extend his remarks in the RECORD.

EXTENDING BENEFITS TO PART-TIME EMPLOYEES

Mr. McSWEENEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 259, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2619) to extend the benefits of the annual and sick leave laws to part-time employees on regular tours of duty and to validate payments heretofore made for leave on account of service of such employees. That after general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. McSWEENEY. Mr. Speaker, I reserve one-half hour for my own use and yield half an hour to the gentleman from New York [Mr. WADSWORTH].

Mr. Speaker, as the Clerk has read, this bill makes available to people who are, what we call, part-time employees, some of the benefits that have been accruing to people who are regular employees of the Government. As this will probably be your and my last official act in this old Chamber as we now know it, I would like to have you give consideration to a bill which I feel does justice to a great portion of the employees in the Federal Government.

May I digress long enough to say that I hope that with the remodeling and changing of this room it will not lose many of its fine traditional aspects, and that I can still look up and see the seal of the State of Ohio, as Members from other States may look up and see the seals of their respective States.

So, this being the last official act in this Chamber as we now know it, we have reported this bill to you to do justice to our employees. We have a number of part-time employees, many women, as you know, who come in very early in the morning and clean our offices and do the char-work to make our working quarters livable and clean and a place where we can receive our constituents with pride.

These part-time Government employees are compensated properly, but they have no sick leave and they have no annual leave. I feel that you and I as the Representatives of our people have upon us the obligation of spending the taxpayers' money wisely and carefully. We want to do it as justly as possible. At the same time, we cannot save money to our Government by neglecting duties, any more than a man can increase his family savings by neglecting his children. If you do without milk or without dental care and other things for your children, naturally the savings of your family would increase, but that family has neglected some of its real obligations. So we here in Government want to save money, but we cannot do it by neglecting the obligations that naturally devolve upon us as Representatives of the people. I am sure no taxpayer at home wishes to have inequities exist among the people who give their services to the Federal Government.

So now we have this bill, 2619, which will make it possible for these people, who work at least a minimum of 5 days on a part-time basis, to receive compensation for injury, and also to have sick leave and also what we call annual leave. Those benefits have always accrued to the other employees of our Government. This bill merely does justice to many of the people who, I might say, work at the disadvantageous hours of the day, the time of the day when it upsets their regular program. I see charwomen coming from our offices when I go to work in the morning, realizing that they have been there 3 or 4 hours doing their tasks.

We are merely providing this extra security for them. Some of the critics of the bill may say that these people on a short-hour daily basis can go out and earn money in other fields. I do not think we can legislate against that. That will probably happen in any field of public endeavor, but that should not in any way prejudice you in your attitude toward this legislation.

Mr. Speaker, I reserve the balance of my time, and I now yield to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Speaker, I agree completely with the observations made by the gentleman from Ohio [Mr. McSWEENEY].

There are no requests for time on this side of the aisle, so far as I know.

Mr. McSWEENEY. Mr. Speaker, I yield 10 minutes to the gentleman from Florida [Mr. SMATHERS].

Mr. SMATHERS. Mr. Speaker, I ask unanimous consent to speak out of order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SMATHERS. Mr. Speaker, I want to thank the gentleman from Ohio [Mr. McSWEENEY] for allotting me this time. I would not have asked for it, but on yesterday we had a very controversial and very heatedly argued housing bill, H. R. 4009, under consideration and by reason of the parlimentary situation I did not get an opportunity to speak on certain amendments which I proposed to introduce. As I stated in the debate, day before yesterday, it was my intention to vote all the way for that bill. I wanted and expected to vote for public housing.

We have in south Florida a Public Housing Authority which has proven to be very helpful. It has been properly administered. However, in title II of the bill H. R. 4009, it appeared to me there were many provisions which should not be in the bill. The motives and purposes behind the housing bill are most commendable. What the administration wants to do certainly should receive the plaudits of every one of us, but there are provisions now in title II which I felt would not result in a desirable type of legislation. Therefore, when the parliamentary situation was such that title II was stricken from the bill, many of us who had perfecting amendments and amendments that were desirable, were suddenly in the position of not being able to offer them. The result was that even the committee amendment to limit the number of public housing units to 810,000, was lost. Yesterday the House voted for the construction of 1,050,000 units.

I would like to call to the attention of the members of the Banking and Currency Committee, particularly those who will be conferees, that under the rules of the House they will be allowed to strike out certain of the provisions of H. R. 4009, if they deem it desirable.

The first thing I would like to call to their attention is on page 31 of this bill. The provision has to do with the per-room cost. The bill now reads:

Every contract made pursuant to this act for loans (other than preliminary loans), annual contributions, or capital grants for any low-rent housing project completed after January 1, 1948, shall provide that the cost for construction and equipment of such project (excluding land, demolition, and nondwelling facilities), shall not exceed $1,750 per room.

It then goes on to provide that if the Administrator finds it desirable he can raise the cost per room $750, which may make a total cost per room of $2,500, excluding the land. I say that figure is entirely too high. I hope that the committee, and the gentleman from Pennsylvania, who is sitting here, a member of that committee, will seek to strike out that particular amount of $2,500 per room, excluding land. We know from past experience that whenever we attempt to set a maximum price figure it becomes the minimum figure. We know

what our experience was during the war when prices were fixed by OPA. The maximum figure became the lowest figure, in fact the only figure on cars, food, and clothing. Certainly under the FHA this has been true. The maximum insurance figure is always the minimum. I hope therefore that the conferees will make an effort to strike this figure of $2,500 per room cost because obviously it is entirely too high.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. SMATHERS. Yes; I shall be pleased to yield to the gentleman from Indiana.

Mr. HALLECK. At the time the bill was under consideration yesterday I had proposed to offer an amendment which would have been in line with the letter of the President to the Speaker regarding the average cost per dwelling unit. The President said that his interpretation of the bill was that the average cost per dwelling unit would be $8,465. As the parliamentary situation worked out, however, I was not permitted to offer that amendment. But I am glad to join with the gentleman in expressing the hope that either as the result of the conference or as a result of administrative action two things may happen: No. 1, that these units be built as economically as possible; and, No. 2, that they should not be more luxurious, or elaborate, or expensive than are the homes in which other people are living who are paying the taxes.

Mr. SMATHERS. I thank the gentleman for his contribution and subscribe to what he has said. The motives and the purposes of this bill are most laudable. The figures given us by the Federal Housing Authority, gathered from New York, Chicago, California, and Florida, show that the cost per room under the 608 provision, which, incidentally, is luxury-type construction, does not equal in any instance $2,500 per room, including the land. I say, therefore, that the figure in the bill of $2,500, excluding land, is obviously too high. If that figure remains, all contractors will be leaving the private building industry and going into the public housing business. All labor, lumber, nails, cement will be channeled out of private building into public housing. It will be a serious blow to the private building industry, which is now trying to construct low-cost housing, with the encouragement and assistance of the Federal Government, for people of low incomes.

Mr. McSWEENEY. Mr. Speaker, will the gentleman yield?

Mr. SMATHERS. I gladly yield to the gentleman from Ohio.

Mr. McSWEENEY. I had an amendment to offer to title II yesterday, and my amendment was that we take into consideration the census which would be completed in 1950 or 1951 and predicate our findings upon that very complete survey. In fact, it will be the most complete survey that America ever made of her situation and the situation of all her people, including housing. I think that would have helped in deciding the cost of operation under the bill.

Mr. SMATHERS. I thank the gentleman for his comment and agree with him. Another reason that this bill in its present form should be amended is because it is discriminatory. On January 27, 1949, the distinguished chairman of the Committee on Banking and Currency introduced a bill designed to help private builders. It was known as H. R. 1938. Turn to page 5 of that bill and we see that this provision made for the FHA to insure mortgages on new dwellings for families of low income was not to exceed $8,100 per family unit; in other words, $8,100 per family unit figured at 4½ rooms per unit, which is the customary way of figuring it, means a maximum per room cost of $1,800, but I remind you this room cost of $1,800 includes the cost of land, whereas the $2,500 per room cost, authorized in 4009—does not include the land.

In other words, what we are doing in private dwellings where people pay their own rent is to say to them that the Government will lend you less than $1,800 per room, whereas to those who live in public housing the Government says you can have a much more commodious room at a cost of $2,500; yet people who are in the $2,500 rooms are having a portion of their rents paid by the Federal Government, which gets the money from those who live in privately owned housing. That provision could well be stricken.

It is also discriminatory against veterans because when we look over here on page 9 of H. R. 1938 we see that there is a provision for veterans' cooperatives where the Federal Government is going to help and encourage veterans to build housing units for themselves. Yet what does it do under this act? It sets a per-room cost limitation of $2,000—including the land as the maximum allowable for the vetereans, while in the public housing bill it allows $2,500 maximum room cost, excluding land. If that is fair to the veteran who pays his own rent, then I do not know what the word fair means. I am confident it was not the intent of the committee, certainly not the administration, to allow a $2,500 per room cost for people who are not able to pay their rent, as worthy and as meritorious as they may be, while at same time restricting veterans and other low-income people, who are paying their rent, and who are helping and assisting in the payment of the rent of people in the public housing, to much less commodious, less comfortable, less well-constructed rooms by limiting them to at least $500 less than they are allowing for the public-housing rooms. I am confident that the gentleman from Pennsylvania and the gentleman from Texas, both members of the Banking and Currency Committee, will remember these discrepancies and will take them into consideration when they go to conference with the Senate.

It has been said many, many times that we do not want to have the Federal Government interfere in any way with the operation of the local housing agency. Yet on page 26 of H. R. 4009 we see this language:

> The Public Housing Agency shall fix the maximum income limits for the admission and for the continued occupancy of families in such housing at such maximum income limits, and all provisions thereof shall be subject to prior approval of the authorities.

Certainly that is all right. But I want to call your attention to this further provision, in the light of the assertions of local control that were made yesterday. The members of the Committee on Banking and Currency repeatedly said that "We do not want to have Federal control of the local situation." But in the bill you have the following provision:

> And that the Authority in Washington may require the Public Housing Agency to review and to revise such maximum income limits if the Authority determines that changed conditions in the locality make such revisions necessary in achieving the purposes of this act.

I could well argue that that is no attempt to decentralize. Certainly that language does not give to the local public housing agency the right to set their own rents and determine what should be done. That language does the opposite of providing local control. It specifically calls for Federal control.

The SPEAKER. The time of the gentleman from Florida has expired.

Mr. McSWEENEY. Mr. Speaker, I yield the gentleman one additional minute to answer a question from the gentleman from Florida.

Mr. BENNETT of Florida. Mr. Speaker, will the gentleman yield?

Mr. SMATHERS. I gladly yield to my able and hard-working colleague from Florida.

Mr. BENNETT of Florida. As the gentleman from Florida knows, I also had an amendment to provide that the money which is paid out every year be specifically put under the preliminary scrutiny of the Committee on Appropriations and that it shall go through the Congress every year in a more practical manner than in the present bill. I do not know whether the gentleman has an opinion on that matter or not; but I would like to know whether he feels that perhaps the conference committee should deal with that matter or whether it should be established by separate legislation that, as to the future, as of January 1, 1950, and following, we should require this control.

Mr. SMATHERS. I feel confident that the members of the Committee on Banking and Currency realize that many of us yesterday who had what we felt were worth-while amendments, by reason of the development of the parliamentary situation were unable to present them. I am confident that they will give us consideration when we talk to them and try to do what they think is right. I certainly agree with my colleague from Florida.

The SPEAKER. The time of the gentleman from Florida has again expired.

Mr. McSWEENEY. Mr. Speaker, I yield such time as he may desire to the gentleman from California [Mr. POULSON].

RECORD DROUGHT IN CALIFORNIA

Mr. POULSON. Mr. Speaker, a new all-time dry record of five consecutive subnormal rainfall years was chalked up June 30 in southern California when the 1948–49 season ended.

Franklin Thomas, outstanding water authority and chairman of the State's Colorado River Board, said this is the first time in 180 years of California rainfall statistics that drought conditions have extended over a 5-year period.

The previous record was the 4-year series of 1928, 1929, 1930, and 1931.

According to Thomas, the unprecedented continuous drought condition that has hit the southern portion of the State extends back to March 4, 1944. During the ensuing 64-month period, only 8 months have measured up to the normal rainfall expectancy, he said.

Citing official rainfall figures for Los Angeles, Thomas said the city received only 8 inches during the past year, bringing the accumulated deficiency for the 5 years to 28 inches. Based on the long-term annual average of 15.22 inches, the deficit represents 23 months of average precipitation.

"In other words, we have lost forever about 2 years of badly needed rain," he said.

Indicating the broad extent of the rainfall deficiency, Thomas said a recent survey by Los Angeles County officials showed underground water levels had dropped as much as 16 feet since last year in the Central Coastal Plain, near Pico. Other sections showing loss of water storage were San Gabriel Valley, the West Coastal Plain, Glendora Basin, Claremont Basin, Pomona Basin, and Antelope Valley.

"The only thing saving us from water rationing in many cities today is the Colorado River supply made available by the Metropolitan Water District's 457-mile aqueduct system," Thomas said.

Population of the 28 cities now in the district was given as 3,526,000.

Thomas is dean of students at California Institute of Technology and represents the city of Pasadena on the water district board of directors.

He added that the southern California water supply problem should be "the strongest kind of warning to the men and women who live here to get busy and help protect their share of Colorado River water."

"The Colorado is the only source that can meet our fast growing water requirements and protect us from the effects of recurring drought cycles," Thomas declared.

Thomas referred to bills pending in Congress to build a $738,000,000 irrigation project to take Colorado River water into the central part of Arizona for farm use.

He said that the water to grow crops in Arizona would be taken from the supply needed for the cities, homes, and industries of southern California.

The official California solution to the prolonged water war with Arizona is to have the Supreme Court decide how much Colorado River water should go to each State. Legislation to effect this settlement is before Congress now and should be passed promptly.

Mr. McSWEENEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed on.

Mr. MURRAY of Tennessee. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2619) to extend the benefits of the annual and sick-leave laws to part-time employees on regular tours of duty and to validate payments heretofore made for leave on account of services of such employees.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 2619, with Mr. DEANE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. MURRAY of Tennessee. Mr. Chairman, the purpose of H. R. 2619 is to extend annual and sick leave benefits to part-time Federal employees on regular tours of duty covering not less than 5 days in any administrative workweek, and to validate payments previously made to certain part-time employees in the Library of Congress for accrued annual leave upon their separation from the Federal service.

At the present time under the annual and sick leave acts of March 14, 1936, part-time Federal employees who have regular tours of duty covering not less than 5 days in any administrative workweek, except such employees in the postal service, are not entitled to sick and annual leave benefits. Full-time employees under such leave acts are granted 26 days annual leave and 15 days sick leave annually.

A full-time employee is one who works at least 5 days a week and 8 hours each day. This bill will also extend the benefits of the annual and sick leave acts on a pro rata basis to all part-time Federal employees for whom there has been established a regular tour of duty covering not less than 5 days in any administrative workweek. We have many regular Federal employees who work at least 5 days every week but who work less than 8 hours a day. The Comptroller General has held that employees, although they work 5 days every week throughout the year, and though they are regular Federal employees, are not entitled to sick and annual leave if they work less than 8 hours each day, or a 40-hour week. We have about 10,000 employees in our Government who are regular Federal employees, who work 5 days a week, but who work less than 8 hours a day. Among these 10,000 employees who would be covered by this legislation are janitors, charwomen, and cleaners who hold positions throughout the Federal service. There are also approximately 3,800 such part-time employees in the Department of Medicine and Surgery of the Veterans' Administration who are hospital attendants, laboratory workers, X-ray and general technicians, and other subprofessional part-time employees. There are approximately 2,000 attendants and part-time employees of the Veterans' Administration who would be affected by this bill.

I might say that postal employees who work less than 8 hours a day already receive their proportionate sick and annual leave. Also, legislative employees who work less than 8 hours per day 5 days a week receive their proportionate annual and sick leave. The charwomen who work here in the Capitol and the Senate and House Office Buildings and who are legislative employees get their proportionate sick and annual leave. They work only 3 hours per day, and they get 26 3-hour days of annual leave a year, which would be 78 hours annual leave.

Mr. GOLDEN. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Tennessee. I yield to the gentleman from Kentucky.

Mr. GOLDEN. The gentleman who spoke a few moments ago said that the charwomen who take care of the offices for the Congressmen should be allowed this pay, but is it not true they are already allowed this vacation and sick leave?

Mr. MURRAY of Tennessee. The gentleman from Kentucky is correct. All legislative employees, even though they work less than 8 hours per day, are entitled to their proportionate sick and annual leave. Under our present sick and annual leave law, every employee who is on a 40-hour week, that is, who works at least 5 days a week 8 hours per day, is entitled to 26 days annual leave and 15 days sick leave. If the part-time employee, a regular employee, works 5 days a week, but works only 7 hours each day, under the ruling of the Comptroller General such employee is not entitled to any sick leave or to any annual leave. If an employee works 3 or 4 hours a day, such as cleaners, janitors, and charwomen, 5 days or 6 days a week throughout the year, then such employee is not entitled to annual or sick leave.

Under this bill, if the employee works 4 hours a day for 5 days a week per year he would be entitled to one-half the annual and sick leave which employees are entitled to who work 8 hours. In other words, the part-time employees would not get the full 26 days annual leave and 15 days of sick leave but would get only their proportionate part. If they work only 3 hours a day 5 days a week, then they would get three-eighths of 26 days annual leave and three-eighths of 15 days sick leave. If an employee worked 2 hours a day 5 days a week, then that employee would get one-fourth of the 26 days annual leave and one-fourth of the 15 days sick leave.

This legislation does not apply to employees who do not work regularly every day. The employees who are covered by this legislation must be full-fledged employees of our Government and must work at least 5 days per week. If an employee works only 4 days a week he is not covered by this bill. It requires a regular tour of duty of 5 days per week.

It certainly seems to me, since we give regular employees who work 8 hours per day 5 days per week the full privileges of both annual and sick leave, that we should give these part-time employees

who are regular employees working 5 days a week and who work less than 8 hours a day their proportionate part of sick and annual leave.

This legislation is recommended unanimously by the Committee on Post Office and Civil Service, the General Accounting Office, the Library of Congress, the Bureau of the Budget, and the Civil Service Commission, and I trust the membership will take favorable action with respect to the bill.

Through a misinterpretation of the Annual and Sick Leave Acts, charwomen who are part-time employees in the Library of Congress were granted pro rata sick- and annual-leave benefits for several years. However, on May 21, 1948, the General Accounting Office raised the question as to the payments made by the Library of Congress to such part-time employees for accrued annual leave upon their separation and directed the Library of Congress to the decisions of the Comptroller General which held that only full-time employees were entitled to such benefits under the Annual and Sick Leave Acts. This bill, under section 2, would validate such payments which have been made to former part-time employees of the Library of Congress who accrued annual leave, which amounts to about $6,000. As I already said, postal employees who work part time, but less than 8 hours a day, get their sick and annual leave; legislative employees who work less than 8 hours a day get their sick and annual leave; and why in the name of justice, is it not equitable and fair that these people, employees in the executive departments of our Government, who work regularly 5 days a week, but less than 8 hours a day, should receive their proportionate sick and annual leave? This certainly is just and meritorious legislation.

Mr. GOLDEN. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I wish to endorse everything that our able chairman of our splendid committee has said. We had ample hearings on this bill. It was reported out unanimously by the subcommittee and by the full committee. I know of no reason why Federal employees, who are required to report to their post of duty 5 days a week, even though they do not put in eight full hours a day, should not be given pro rata vacations and sick leave.

It appears to me that this legislation will bring in line these part-time employees and that it is just and should be passed.

Mr. SADLAK. Mr. Chairman, will the gentleman yield?

Mr. GOLDEN. I yield.

M. SADLAK. I join in the fine statement that the gentleman from Kentucky just made, and in the fine explanation made by our genial chairman of the committee. I recall the hearings before the subcommittee and the full committee and as they have stated, the bill was reported unanimously. I hope it will pass.

Mr. GOLDEN. Mr. Chairman, I have no further requests for time.

Mr. MURRAY of Tennessee. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That part-time officers and employees for whom there has been established a regular tour of duty covering not less than 5 days in any administrative workweek shall, unless otherwise excepted, be entitled to the benefits pro rata of the annual and sick leave acts of March 14, 1936 (49 Stat. 1161 and 1162, respectively), and such acts are hereby amended accordingly.

SEC. 2. Any person who prior to the enactment of this act received any amount the payment of which is authorized for the first time by this act is hereby relieved of all liability to refund to the United States any such amount.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DEANE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 2619) to extend the benefits of the annual- and sick-leave laws to part-time employees on regular tours of duty and to validate payments heretofore made for leave on account of services of such employees, pursuant to House Resolution 259, he reported the bill back to the House with the recommendation that the bill do pass.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

REPORTS FROM WAYS AND MEANS COMMITTEE

Mr. BOGGS of Louisiana. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tonight to file a report on House Joint Resolution 287 and H. R. 5332.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The SPEAKER. Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 20 minutes.

BASING-POINT SYSTEM BEFORE HOUSE SOON WOULD REPEAL LARGE PART OF ROBINSON-PATMAN ACT AND PERMIT CEMENT AND STEEL INDUSTRIES TO FIX PRICES WITHOUT RESTRAINT

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include certain statements and excerpts and other extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, this morning the Rules Committee approved an application for a rule to consider the bill S. 1008. That is known as the basing-point bill.

I heard the announcement of the majority leader the gentleman from Massachusetts [Mr. MCCORMACK], in which he said that the bill would probably be taken up next Wednesday, with 3 hours' general debate. I want to ask the Members to seriously consider that bill. I think it is against the interests of this country. I am not impugning the motives or intentions of anyone who votes the other way. I am sure they are just as honest in their views as I am in my views, but I am merely expressing my own feelings about the bill.

I hope the Members who are interested will read my extension of remarks in the Appendix of the RECORD today.

That bill will legalize the basing-point system. It will legalize the old Pittsburgh-plus that has been outlawed in this country for a long time. It will reinstate the old Pittsburgh-plus. It will mean price fixing, because the Supreme Court said the basing-point system is a handy instrument for monopoly and price fixing and price discrimination. It is not the American system, the way I view the American system. It is contrary to the free-enterprise system. It is the cartel system for monopolies and trusts, and absolute price fixing.

I cannot conceive of a Congress passing a law which gives these huge concerns the power to continue to do in the future what has just been outlawed by the United States Supreme Court.

For 25 years the cement companies in this country have fixed identical prices, down to the sixth decimal point. The Supreme Court held that was unlawful, and stated why. This bill, if passed, would legalize that. I do not think it should happen.

The steel industry has been doing the same thing. Now, after their system has been outlawed, they run to Congress to try to get it legalized. So I trust that every Member of this House will study this question carefully before casting a vote in favor of it on next Wednesday, if it is taken up then.

I expect to insert in the CONGRESSIONAL RECORD at this point a lot of information concerning this basing-point system, and I hope you will give it consideration.

REPORT ON RULES ON HEARINGS ON S. 1008, JUNE 29, 1949—TESTIMONY BY REPRESENTATIVE OF 34,000 SMALL INDEPENDENT RETAIL PHARMACISTS AND DRUGGISTS HEARD IN OPPOSITION TO S. 1008

On the second day of hearings on small-business objections to S. 1008, the bill to amend the Federal Trade Commission Act and the Clayton Act as amended by the Robinson-Patman Act, the committee heard the testimony of Mr. George H. Frates, Washington representative of the National Association of Retail Druggists, an organization comprised of over 34,000 small independent retail pharmacists, practicing their profession in every State of the Union and in the District of Columbia.

PASSAGE OF ROBINSON-PATMAN ACT REPRESENTED OUTSTANDING VICTORY FOR SMALL INDEPENDENT RETAIL DRUGGISTS OVER CHAIN STORES AND OTHER LARGE BUYING GROUPS—ACT CLARIFIES SITUATION NOT COVERED BY OTHER ANTITRUST LAWS

Mr. Frates opened his testimony by stating that the objections of the members of his organization to the bill, S. 1008, were based on the fact that its pro-

visions would violate and weaken the Robinson-Patman Act. He stated that the passage of the Robinson-Patman Act in June of 1936 was regarded as an "outstanding victory for the small independent retail druggists of the Nation" over chain stores and other large buying groups. He explained that the Robinson-Patman Act was a most necessary and important component of the antitrust laws because it "clarifies a situation not noticeable in other antitrust laws and sets forth specifically the terms and conditions upon which price differentials, quantity discounts, and rebates of one kind or another are legitimate."

POWERFUL OPPONENTS OF ROBINSON-PATMAN ACT FOUGHT ITS PASSAGE—MONOPOLY STILL OPPOSES ACT

He asserted that powerful opponents of the Robinson-Patman Act used every possible deceptive method and argument to delay and stifle the passage of the act. He said that big business sought "to hoodwink the public by control of many of the large daily newspapers of the country through advertising manipulation; by insinuating propagandists in the women's clubs; by decrees to chain-store employees; by pamphlet, publication, circular." He also said that time and experience has shown that monopoly still opposes the act, but that the only kind of a business which is handicapped by its effectuation is a business which "finds it impossible to operate on a fair and honest basis."

FREIGHT ABSORPTION CAN BE USED AS SUBTERFUGE OF WORST KIND IN PRICE DISCRIMINATION AGAINST SMALL BUSINESS—BURDEN OF PROOF SHOULD REMAIN ON RESPONDENT IN PRICE DISCRIMINATION LITIGATIONS

Mr. Frates stated that "freight absorption, calculated to stifle competition, is a subterfuge of the worst kind unless it can justify the discrimination—in price—on a cost basis." He said that under the Robinson-Patman Act the burden of proof in price-discrimination cases is upon the respondent. He said that there would be a shift in this burden of proof to the plaintiff by the passage of S. 1008.

He described the practice in use by large buying groups before the passage of the Robinson-Patman Act by which an agent for chain stores or large buying groups conferred with a manufacturer and obtained a list of prices. The district or local branch store managers were then required to buy only at the listed prices. He warned that "if the list prices include the cost of delivery to the branch store, a discrimination at once appears between those delivered prices to the branches of the chain, and prices to other buyers from the manufacturer who sold f. o. b. factory."

ROAD TO MONOPOLY STREWN WITH WRECKS OF INDEPENDENT BUSINESS—ROBINSON-PATMAN ACT HAS PROTECTED BUSINESS AND CONSUMER FROM THREATS OF MONOPOLY FOR MANY YEARS

Mr. Frates asserted that since the passage of the Robinson-Patman Act equal opportunity has been given to all those who are usefully employed in the service of distribution. Efficient protection has been afforded the public since the passage of the act, which gave small business a fighting chance against big business. He emphasized the fact that the road to monopoly is strewn with wrecks of independent business. For those reasons he stated that Congress should consider most carefully whether the hurried action on S. 1008 is in the public interest. He stated that no opportunity has been given to the opponents of S. 1008 to present their views.

PRESERVATION OF SMALL INDEPENDENT UNITS OF ENTIRE DISTRIBUTION SYSTEM OF NATION DEMANDS ANTITRUST LAWS BE STRENGTHENED—PASSAGE OF S. 1008 WOULD DEPRIVE SMALL RETAILER OF NECESSARY PROTECTION

Mr. Frates warned that monopoly thrives when big business is able to get price and other concessions not available to all retailers. He said that big business is able to subdue competition by working on one sector of an industry at a time. He stressed that fact that unless the entire distributional system of the Nation is to be revolutionized and the little independent units that now comprise the greater part of it eliminated, we must get back on a sound, fair, economic basis. He said that the Robinson-Patman Act should be strengthened, not weakened, as it would be by the passage of S. 1008.

INDEPENDENT DRUGGISTS ARE INNOCENT BYSTANDERS ON WHOM THERE HAS BEEN DUMPED AN AVALANCHE OF STEEL AND CEMENT IN BASING-POINT FIGHT

Mr. Frates stated that S. 1008 arose as the result of a squabble belonging to the cement and steel giants, but that the result of that squabble has been a bill which would substantially weaken the Robinson-Patman Act, which is the strongest protective legislation for the small retailer. He described the position of the independent druggists in the basing-point fight as that of innocent bystanders on whom there has been dumped an avalanche of steel and cement. He said that S. 1008 is clearly a bill to appease big business because they were slapped down in the basing-point decisions of the Supreme Court.

PROTESTS AGAINST PASSAGE OF S. 1008 RECEIVED FROM INDIVIDUAL DRUGGISTS IN EVERY STATE IN THE UNION

He emphasized the fact that many letters had been received by the organization from individual druggists in every State protesting the passage of S. 1008 on the grounds that it would weaken the Robinson-Patman Act, which they consider their greatest protection against monopolistic pricing practices. He read the addresses from a sample number of these letters at the conclusion of the hearing.

REPORT ON HEARINGS ON S. 1008, JUNE 28, 1949—THREE WITNESSES REPRESENT LEADING INDEPENDENT WHOLESALERS AND RETAILERS IN EVERY CONGRESSIONAL DISTRICT IN AMERICA

Three witnesses from the United States Wholesale Grocers' Association, Mr. Harold O. Smith, Jr., Mr. R. H. Rowe, and Mr. W. A. Quinlan, testified in the first day of hearings on small-business objections to S. 1008—called the O'Mahoney amendment—which would amend the Federal Trade Commission Act and the Clayton Act as amended by the Robinson-Patman Act. Mr. Quinlan stated that he was also general counsel for the Associated Retail Bakers of America and the National Candy Wholesalers Association, Inc., and that his testimony would reflect the views of those groups as well as those of the United States Wholesale Grocers' Association.

Mr. Harold O. Smith, Jr., vice president of the group, opened the testimony with an introductory statement explaining that the wholesale grocers of the United States are represented in every congressional district in considerable numbers. He stated that the average wholesale grocer is a very civic-minded individual and also reflects the viewpoints of the many retail grocers whom he serves. He felt that the scope of the testimony to be offered by representatives of the group was extensive in bringing out the viewpoint of many independent merchants concerning S. 1008.

R. H. ROWE, A LEADER IN FIGHT FOR PASSAGE OF ROBINSON-PATMAN ACT, STATES S. 1008 WILL JEOPARDIZE ROBINSON-PATMAN ACT, SMALL BUSINESS' GREATEST PROTECTION AGAINST MONOPOLY

Mr. R. H. Rowe, vice president and secretary of the United States Wholesale Grocers' Association, the second witness, stated that his group is opposed to S. 1008 because "its language jeopardizes the effectiveness of the Robinson-Patman Act in its provisions against price discriminations in favor of chain stores and other large buyers." Mr. Rowe was one of a group of independent merchants who led the fight against the giant buying organizations in the years prior to 1935 when price and other discriminations granted by food and grocery manufacturers to big mass-buying organizations amounted to a "national trade scandal." Mr. Rowe outlined the background of the circumstances which brought about the need for the Robinson-Patman Act. He said that the Great Atlantic & Pacific Tea Co. alone received annual concessions from its manufacturer suppliers amounting to $8,000,000. Large buying concerns received huge discriminatory discounts and allowances while "the small buyer was left holding an empty bag."

Mr. Rowe, in describing the effect of the passage of the Robinson-Patman Act, said it "stopped this flood of concessions to the big buyer as against the average buyer and in doing so it also affords protection to manufacturers against the coercive discount and concession demands of big-buying organizations."

S. 1008 WITH AMBIGUOUS CHANGES IN ROBINSON-PATMAN ACT UPSETS APPLE CART AND INVITES RETURN OF DISCRIMINATION TIDE AND SUBMERGENCE OF SMALL BUSINESS

Mr. Rowe asserted that the Robinson-Patman Act permits price differentials only as related to saving in cost to the seller and freedom from injury to competition. He said:

> We believe S. 1008 with its ambiguous changes in the law upsets the apple cart and invites the return of the discrimination tide and the submergence of small business.

He said that some persons had voiced the opinions that the removal of the Robinson-Patman Act would bring about hard instead of soft competition, but he continued "this could mean the death of the small trader." It was his opinion

that this striving to obtain hard competition was nothing more than an attempt to soften the antitrust laws.

ROWE TERMS HASTE IN PASSAGE S. 1008 IRONICAL

Mr. Rowe said it was his opinion that it is ironical that "with all the furor and concern in the present Congress over the rapid encroachment of monopolies and investigations planned to ascertain their extent a substitute bill on delivered pricing should pop up in the Senate and be quickly passed and then hurried through the House Judiciary Committee without benefit of open public hearing."

S. 1008 WOULD LEAVE SMALL-BUSINESS MAN WITH NO PROTECTION AGAINST MONOPOLY AND MONOPOLISTIC PRACTICES

Mr. Rowe said that S. 1008 would jeopardize the law that affords the greatest protection the small-business man has against monopoly and the aggressions and oppressions of monopolistic practices. Mr. Rowe concluded his testimony with the opinion that the prime cause of the present proposals to change the antitrust laws was first attempted evasion by big business and, when that does not work, effort to change the laws the evasion.

WILLIAM A. QUINLAN CALLS S. 1008 "BULL IN CHINA SHOP" BECAUSE IT UPSETS YEARS OF COURT DECISIONS ON ROBINSON-PATMAN ACT

Mr. William A. Quinlan, general counsel for the United States Wholesale Grocers' Association, was the third witness. He asserted that the Robinson-Patman Act has become a living and effective document by court interpretations and studies made of every word and phrase for more than a decade. He warned that S. 1008 would throw away charts and compasses of the businessman and his lawyer and perhaps remove the protection which small business has had against predatory competition of chain stores and others. He stated that for those reasons he considered S. 1008 to resemble a bull in a china shop.

S. 1008 ORIGINALLY BROUGHT UP BY BASING-POINT PROPONENTS BUT ACTUAL PROVISIONS REPEAL HEART OF ROBINSON-PATMAN ACT

He stated that the original demand for new legislation came from industries using uniform industry-wide basing-point pricing systems, because of the decisions in the Cement and Rigid Steel Conduit cases. However, S. 1008, in its attempt to solve the alleged delivered price problem, has in his opinion, drastically modified the Robinson-Patman Act, which applies to all business operations whether in industries concerned with basing-point pricing or not. The groups represented by Mr. Quinlan are in effect innocent bystanders in this conflict because, although they are not concerned with the basing-point fight, the law which affords them their greatest protection against big business and price discriminations will be seriously weakened by the passage of S. 1008.

QUINLAN STATES GROUP GIVEN NO OPPORTUNITY TO TESTIFY ON S. 1008

Mr. Quinlan stated, in a reply to a question from a member of the committee, that his group was not given an opportunity to appear at any public hearing on this bill either in the Senate or before the House Judiciary. The United States Wholesale Grocers' Association submitted an unsolicited written statement to the Judiciary Committee, but a statement by the chairman of that committee 5 days later, to the effect that no testimony has been received in opposition to S. 1008 led Mr. Quinlan to believe that the statement of his group had not reached the chairman.

QUINLAN GIVES SPECIFIC CRITICISMS OF S. 1008 SECTION BY SECTION

Mr. Quinlan outlined the specific language in S. 1008 which would bring about the drastic changes in the Robinson-Patman Act and destroy its effectiveness in protecting the independent merchant against monopolistic pricing practices of giant buying organizations.

Among the points brought out in criticism of the actual wording of S.1008 were the following:

First. The burden of proof in litigation under the Robinson-Patman Act is so changed that it will be extremely difficult to prove the necessary factor of bad faith or collusion. He stated that the elimination of the Kefauver amendment also increases t e difficulty of proving infractions of the act.

Second. The provision authorizing identical prices for different delivery points may be used to justify identical prices to a few chosen customers in different parts of the country.

Third. "Absorption of freight" as used in S. 1008 is an illusory phrase since the shipper can raise his base price to offset any absorption of freight charges.

Fourth. The provision authorizing a seller to charge a differential which he customarily maintains may freeze existing predatory price practices.

QUINLAN GIVES RECOMMENDATION OF WHOLESALE GROCERS CONCERNING S. 1008

Mr. Quinlan stated the position of his group in these words:

To make our position perfectly clear, we believe that the bill S. 1008 should be denied a rule, and that if and when it is called up without a rule it should be voted down by the House or recommitted to the Committee on the Judiciary.

WALTER B. WOODEN, ONE OF NATION'S MOST EXPERIENCED AND EXPERT ATTORNEYS ON DELIVERED-PRICING SYSTEMS TESTIFIES IN OPPOSITION TO S. 1008 BEFORE HOUSE SELECT COMMITTEE ON SMALL BUSINESS, JUNE 30, 1949

Mr. Speaker, I would like to insert into the CONGRESSIONAL RECORD the testimony of Mr. Walter B. Wooden, whom I consider to be one of the Nation's foremost, if not the foremost expert, on delivered pricing, the operation of basing-point systems, and court cases, which have led up to S. 1008, the proposed bill to amend the Federal Trade Commission Act and the Clayton Act, as amended by the Robinson-Patman Act:

WALTER WOODEN QUALIFIED AS WITNESS BY 40 YEARS' EXPERIENCE

Although I make this statement in my individual capacity as a citizen, it so happens that I am senior Associate General Counsel of the Federal Trade Commission and have been intimately associated with all the cases in court which have led up to the proposed legislation. I have been in charge of the Commission's appellate work for several years past. I had charge of the trial, briefing and argument of the Cement Institute case before the Commission. I briefed and argued it before the United States Circuit Court of Appeals and participated in the briefing and argument of it before the Supreme Court. I briefed and argued the Rigid Steel Conduit case before the United States Circuit Court of Appeals, and was on the brief in the Supreme Court. I briefed and argued the so-called Glucose cases in the United States Circuit Court of Appeals and argued one of them, the Staley case, before the Supreme Court. I handled before the courts all the other Commission cases involving delivered-price system, including the Pittsburgh Plus case, the Salt Producers case, the Maltsters case, the Milk Can case, the Wire Rope case, and the Crepe Paper and Book Paper cases. I have specialized in the investigation and analysis of price-fixing methods for some 40 years and of formulas for fixing of identical delivered prices during the larger part of that time. Some portions of the Commission's reports to the Senate and to the President on the operation of the Steel Code during and after NRA were drafted by me. I prepared and submitted a lengthy statement to the TNEC concerning the basing-point system in the steel industry and was delegated to examine certain officials of United States Steel concerning their use of the system.

Nevertheless, this statement is an expression of my individual, personal views for which no one else has any responsibility. They carry no authority other than that of their intrinsic weight and involve no attempt to express or interpret the present views of the Federal Trade Commission.

Interpolating in my prepared statement at this point I shall quote from an address made by me in January 1947 before the New York State Bar Association in a symposium on the Robinson-Patman Act. That was more than a year before the decision of the Cement Institute and Rigid Steel Conduit cases. Discussing some of the questions which are involved in the legislation now under consideration I said:

"As I see it, we have developing here under our very eyes what is essentially a dynamic conflict between what very powerful business interests regard as good business economics and what the statutes which define our public policy and the courts which apply them regard as discriminatory, unfair or collusive, depending on the facts of a particular case. Only the resolution of that conflict can bring our law and our practical economics into harmony."

SHALL ECONOMY CONFORM TO LAW OR LAW CONFORM TO ECONOMICS OF MONOPOLISTIC CAPITALISM? FORCES OF MONOPLY HAVE CARRIED BALL TO 5-YARD LINE IN STRUGGLE

"The fateful question is whether ultimate harmony between our law and our economy will be attained by making our economy conform to our law as it now stands or by permitting our law to be conformed to the economics of monopolistic capitalism, whether by judicial and administrative action or by legislative enactment."

That fateful question is now far along in the process of rapid answer through a proposed legislative enactment. It is the thesis of my statement that the proposed legislation would bring about the necessary harmony between our law and the economics of monopolistic capitalism by conforming our law to such economics. Only a naive and lively imagination would suppose that the alternative is true and that the proposal is to make such economics conform to the law as our highest courts have declared it. Metaphorically speaking, the forces of monopoly have carred the ball to our 5-yard line in a brilliant display of strength, skill, and split second timing, with all the elements of surprise strategy, forward passing, kicking, blocking, running, faking and sheer smashing power.

As I understand it, the function of this committe is to protect and promote the economic and legal interests of small business. The very existence of the committee is a recognition that unless the interests of small business are pprotected, there can be no solution to the problem of monopoly short of a governmentally regulated or socialized economy. So the committee's function necessarily coincides with the economic and legal philosophy represented by the antitrust laws. Basic among these laws is the Sherman Act of 1890. The stake which small business has in supporting the philosophy of that act and of the statutes which supplement it was expressed by Judge Learned Hand, speaking for the court of last resort in the Aluminum case in 1945. Stating that Congress had not seen fit to distinguish between good and bad trusts but had forbidden all, Judge Hand said:

"Moreover, in so doing it was not necessarily actuated by economic motives alone. It is possible, because of its indirect social or moral effect, to prefer a system of small producers, each dependent for his success upon his own skill and character, to one in which the great mass of those engaged must accept the direction of a few. These considerations, which we have suggested only as possible purposes of the act, we think the decisions prove to have been in fact its purposes." (*United States* v. *Aluminum Co. of America* (148 Fed. 2d 416, 427).)

To a similar effect spoke Justice Douglas, of the Supreme Court, in his dissenting opinion of some 2 weeks ago in the Standard Oil case. He said:

"Price control is allowed to escape the influences of the competitive market and to gravitate into the hands of the few. But beyond all that there is the effect on the community when independents are swallowed up by the trusts and entrepreneurs become employees of absentee owners. Then there is a serious loss in citizenship. Local leadership is diluted. He who was a leader in the village becomes dependent on outsiders for his action and policy. Clerks responsible to a superior in a distant place take the place of resident proprietors beholden to no one. These are the prices which the Nation pays for the almost ceaseless growth in bigness on the part of industry." (*Standard Oil Co. of California, et al.* v. *United States*, Case No. 279, October term 1948, decided June 13, 1949.)

The marked similarity in the views of Justice Douglas and Judge Hand will be noted. As a matter of fact, all courts, administrative agencies, and legislative bodies have given at least lip service to the philosophy of the antitrust laws expressed by these two outstanding judges and students of the social and economic problems that underlie the law.

Coming closer, however, to the practical problem that has grown out of recent court decisions and to which pending legislation relates, Justice Douglas said in the Standard Oil case:

"The increased concentration of industrial power in the hands of a few has changed habits of thought. A new age has been introduced. It is more and more an age of "monopoly competition." Monopoly competition is a regime of friendly alliances, of quick and easy accommodation of prices even without the benefit of trade associations, of what Brandeis said was euphemistically called cooperation. While this is not true in all fields, it has become alarmingly apparent in many (supra)."

S. 1008 WILL LEGALIZE PRICING METHODS CONDEMNED BY OUR HIGHES" COURTS

In my judgment, the pending legislation would greatly facilitate that "quick and easy accommodation of prices even without the benefit of trade associations to which Justice Douglas referred. It is beyond dispute that the bill which has passed the Senate is intended to legalize methods of pricing which our highest courts have condemned as in violation of existing law. They are methods of "quick and easy accommodation of prices" which "monopoly competition" has been perfecting over the years in defiance of law and is now demanding be given the sanction of law. The bill would legalize what the Supreme Court in a unanimous opinion by Chief Justice Stone in the *Staley Case* (324 U. S. 746, 751), where there was no issue of collusion and conspiracy, said was "a pricing system which, if followed, would produce exact identity in prices [of glucose] of the several producers when sold in any city of the United States." Obviously, that is a form of the "quick and easy accommodation of prices" to which Justice Douglas referred.

IF S. 1008 PASSES, IDLE TO RETAIN SHERMAN ANTITRUST LAW, WHICH DENOUNCES PRICE-FIXING CONSPIRACIES

In the face of that quick and easy accommodation of prices which the bill would legalize through the sanction of basing-point and zone-delivered price systems and their systematic freight absorptions it is idle to reaffirm or attempt to retain the law denouncing price-fixing conspiracies. Many of these systems are historically the product of such conspiracies which have been more or less furtively carried on despite the law. One of the Commission's notable findings of fact in the Cement Institute case with regard to the basing-point method of pricing and the freight absorption inherent in it was as follows:

"Excluding errors made in the application of this pricing formula, it is plain that it will inevitably result in identical delivered prices for cement at any given location by all sellers using it. It is equally plain that this formula, once put into operation, is self-perpetuating in the sense that renewed understandings or agreements are not needed to maintain identical delivered prices over an indefinite period of time." (F. T. C. Decisions, vol. 37, p. 87, 150.)

S. 1008 WOULD LEGALIZE SELF-PERPETUATING PRICE FIXING FORMULA

If the Commission was correct in that finding then the pending bill would legalize a self-perpetuating formula which does not need renewed understandings or agreements to maintain identical delivered prices "over an indefinite period of time." If identical delivered prices are bad when arrived at through collusion are they any better when arrived at through a formula which does not need the renewal of collusive arrangements previously existing?

BASIC QUESTION TO BE ANSWERED BY CONGRESS: DO WE WANT PRICE COMPETITION OR IDENTICAL DELIVERED PRICES?

In the last analysis the question is whether we want price competition which gives effect to the differences in cost of productions and cost of delivery or identical delivered prices which cancel out those differences in cost through freight absorption. We should not be naive enough to believe that the business interests supporting this bill are concerned about any kind or degree of freight absorption which fails to produce that result. They have persistently and insistently defended that result as the perfection of price competition and not its negation even when convicted of conspiracy.

FEDERAL TRADE COMMISSION PURPOSE OF STOPPING RESTRAINTS OF TRADE IN THEIR INCIPIENCY CANCELED BY S. 1008

The first section of the bill is frankly conceded by its author to be intended to cancel the law of count II of the Rigid Steel Conduit case and there is little doubt that it does so. The result is that there would be no way of challenging a basing point system except by establishing collusion in its operation. That would relegate us to the 50-year-old test of the Sherman Act and destroy the philosophy of 35 years standing that the Commission was created to arrest restraints of trade in their incipiency. It would cancel not only the law of the Conduit case but that of the Beech-nut case which has been a landmark for more than 25 years. Anyone who hopes otherwise must depend upon his ability to make the general and unadjudicated language of a proviso cancel out or override what is given by the specific language of the main enactment. Unless the concept of incipient restraint of trade can be applied to the basing point method of pricing, a method which the Supreme Court said was "a handy instrument for the elimination of any kind of price competition," the concept is an empty one and the Commission loses the thing which differentiates it from the Department of Justice as a remedial agency.

S. 1008 REMOVES CHIEF LEGAL SUPPORTS OF PITTSBURGH PLUS CASE

A most important aspect of this matter is that when we cancel the law of the conduit case and of the Beechnut case we remove the chief legal supports of the Pittsburgh Plus case. There is no charge or finding of conspiracy in the Pittsburgh Plus case. If count II of the conduit case is not good law I cannot see that count I of the Pittsburgh Plus case is good law. A lawyer can hardly accept the idea that a practice which is unlawful for United States Steel Corp. may be lawful for its competitors. In industries composed of a few powerful competitors the Commission will find increasing difficulty in establishing conspiracy by extraneous evidence and will be effectively stymied by its inability to challenge the basing-point practice as an incipient restraint of trade. However, there is perhaps a form of ironic logic in the fact that as concentration of economic power grows apace it may be no longer fitting that we try to arrest restraints of trade in their incipiency. But to concede the futility of such effort just when the courts have crowned it with success makes it an obvious concession to expediency.

It being conceded that the purpose of the first section of the bill is to cancel the law of count II of the conduit case no one can well argue that the proviso relating to monopolistic and oppressive practice has any substance so far as the basing-point practice is concerned. No court has yet held or been given an opportunity to hold, except in the conduit case, that the basing-point practice as such is monopolistic or oppressive, or that it has a dangerous tendency unduly to hinder competition. The bill would block that quite hopeful and fundamental approach to the problem. It will take years to adjudicate the meaning of monopolistic and oppressive practice. During that time monopoly and oppression through frustration of price competition resulting from use of basing-point systems without extraneous evidence of conspiracy will be rampant. In this connection it is important to note that the House Judiciary Committee interpreted the words monopolistic or oppressive practice in the language of Assistant Attorney General Bergson that they were intended to cover a case of freight absorption for the purpose of driving a competitor out of business—a monopolistic practice, in other words, the brass knuckles sort of situation. Under such circumstances the courts will be urged and with considerable legal force, to limit the meaning of monopolistic or oppressive practice to that sort of situation and to exclude the monopolistic or oppressive effect of the practice on purchasers and consumers.

S. 1008 OFFERS SOLUTION TO UNITED STATES STEEL DIFFICULTY WITH LAW

I am sure United States Steel would be very happy over such a solution of its difficulty with the law as it now stands. No

lawyer would relish the job of upholding the Pittsburgh plus order under this bill or of modifying the order so as to preserve any of its potency. This is the case in which for 25 years the Commission has taken proper pride. With this bill as law the Commission in effect would have to say its pride has been misplaced for 25 years.

TO DISTINGUISH BETWEEN LEGITIMATE AND ILLEGITIMATE USE OF BASING-POINT SYSTEM LIKE DISTINGUISHING BETWEEN LEGITIMACY OF USE OF SLOT MACHINES FOR CROOKED GAMBLING

If this bill passes, a dangerous tendency unduly to hinder competition will no longer be a test of what is an unfair method of competition in this vital area of trade practice. As a matter of law the tendency could not be dangerous nor the hindrance to competition undue in the absence of conspiracy. Those who think that conspiracy can always be established where the dangerous tendency and undue hindrance exist are in my judgment living in a world of unrealistic fancy. The Commission's present difficulty of getting compliance with orders even when conspiracy has been established is but a forerunner of the greater difficulty that will hereafter exist in establishing it in the first place. There will always be a number of cases that approximate the facts alleged in count II of the Conduit case and yet without additional evidence of conspiracy. Under the bill, the Commission would either have to let such cases alone regardless of the dangerous tendency unduly to hinder competition which the courts have attributed to the basing-point practice as such, or it would have to establish conspiracy from those unaided facts. According to the critics of count II that should be a simple matter because count II sets forth a conspiratorial situation, a phrase that to my mind is conveniently vague and unlawyerlike. But unless the Commission does let such cases alone it will be resisted and attacked with little less force than it has been attacked as a result of its victories in the Cement and Conduit cases. If the industry-wide use of what the Supreme Court found to be a "handy instrument for the elimination of any kind of price competition" is not an incipient restraint of trade, the words have no meaning for me. To try to distinguish between the legitimate and illegitimate use of the basing-point system with its systematic freight absorption is like trying to distinguish between the legitimate and illegitimate use of a slot machine which is such a handy instrument for crooked gambling.

ENTIRE QUESTION OF LEGAL STATUS OF "COMMON COURSE OF ACTION" MUST BE RELITIGATED WITH PASSAGE OF S. 1008

Referring to the proposed legalization of freight absorption under the first section of the bill provided there is no combination, conspiracy, or collusive agreement, it should be noted that in its efforts to make effective its orders against such combinations, conspiracies, and agreements, the Commission has required parties in such cases to cease and desist from continuing or pursuing a planned course of action. That requirement was sustained by the United States Circuit Court of Appeals for the Seventh Circuit in the *Salt Producers Association Case* (134 F. 2d 354), and by the United States Circuit Court of Appeals for the Fourth Circuit in the *Wire Rope Case* (139 F. 2d 622). The requirement was also sustained by the Supreme Court in the Cement Institute case. The phrase was objected to as being novel and adding nothing to the words "combination, conspiracy, or agreement." The Supreme Court, however, said:

"It seems quite clear to us what the phrase means. It is merely an emphatic statement that the Commission is prohibiting concerted action—planned concerted action. The Commission chose a phrase perhaps more readily understood by businessmen than the accompanying legal words of like import" (333 U. S. 683, 728).

Since a planned common course of action with regard to freight absorption is not among the exceptions of the proviso, the probable effect of the bill would be to nullify these court decisions on this important point of remedial procedure. If this is correct, a very important judicially developed adjunct to the remedial laws of conspiracy cannot be used to inhibit a planned common course of action that was perfected before the order against conspiracy was entered. In any event, the whole question of the legal status of a planned common course of action would have to be relitigated just after it has been settled by the Supreme Court.

PASSAGE OF S. 1008 WILL END ANTITRUST LAWS BACK TO 1925

In my judgment, enactment of the first section of the bill would return us to the law as it was when the Supreme Court decided the Old Cement case in 1925 (268 U. S. 588). The Court then decided that conspiracy was not to be inferred from the mere use of the basing-point system with its inherent practice of systematic freight absorption and its resulting identity of delivered prices among competing concerns. The court rationalized the system and its characteristic results as being a normal method of meeting competition. The bill accepts and would return us to that rationalization, notwithstanding all that the courts and the rest of us have learned about the basing-point system in the last 25 years.

PROVISIONS OF ROBINSON-PATMAN ACT AGAINST PRICE DISCRIMINATIONS DESTROYED BY LANGUAGE IN S. 1008

Section 2 of the bill would amend the Clayton Act to give the price discriminations which are inherent in delivered price systems and freight absorptions a special and preferred status. Under 2 (a) of the bill the independent use of zone delivered prices cannot be challenged as a price discrimination no matter how it injures competition, unless there are zone differentials which happen to cause such injury. This is an effort to give a statutory status to the ill-considered dictum of the Supreme Court in the Staley case regarding the absence of discrimination in a uniform zone delivered price. But it flies in the face of the Supreme Court's statement (not dictum) in the same case that it is a discriminatory system if buyers adjacent to the seller's plant are not given the lower prices which their proximity entitles them to expect. Moreover, it precludes any challenge to zone delivered prices as discriminatory on the theory that mill net is the real price which was the theory adopted by the Supreme Court in the Staley and Corn Products cases. Not content with defining price in terms of commercial law in section 4A, section 2A makes zone delivered prices nondiscriminatory regardless of the commercial law of price. Commercial law might make mill net the real price but discriminations in mill net would still be legalized under 2A. It is well to remember that the commercial law of price did not figure at all in the Glucose cases but the Supreme Court did not hesitate to find and measure the discrimination in terms of mill net, which was just what the Commission had done. No one has yet suggested how it could have done otherwise. Moreover, it may be noted that section 2A of the bill assumes that there can be an injury to competition resulting from differences in delivered prices in a zone system but that there can be no such injury from identity of delivered prices. The effect of that is to discard the definition of price contained in section 4A and to make delivered price the price in a zone system regardless of the commercial law applicable to the transaction. Since the word "price" does not appear in section 2A, the definition of section 4A has no application to section 2A.

S. 1008 CANCELS LAW OF GLUCOSE CASES AND STOPS EXTENSION OF PRINCIPLE THAT DISCRIMINATION SHOULD BE MEASURED IN TERMS OF MILL NET PRICES

A further effect coupled with section 2B is not only to cancel the law of the Glucose cases but to preclude any extension of the principle adopted by the Supreme Court in those cases that discrimination is to be measured in terms of mill net prices. It also precludes any application of the present statutory principle of making due allowance for differences in cost of delivery. Those who dislike discrimination in the form of phantom freight and find it acceptable in the form of freight absorption should realize that a zone-delivered price system necessarily contains them both and the larger the zone the greater the amount of each. Section 2A legalizes both regardless of any provable injury to competition if the seller acts independently. The present statute requires such proof of injury in every case whether the seller is acting independently or not.

S. 1008 LEGALIZES ZONE SYSTEM OF PRICING WITH ITS BURDENSOME PHANTOM FREIGHT

A basing-point system can conceivably eliminate phantom freight and depend wholly on freight absorption but a zone system must have both. A basing-point system involves some substantial adherence to the principle of due allowance for differences in cost of delivery; the zone system disregards it entirely. Once established and in operation there is no system which so neatly facilitates concurrent action to eliminate price competition without extraneous evidence of conspiracy as the zone system. The bill would put a premium on zone systems over basing-point systems.

ELIMINATION OF KEFAUVER AMENDMENT LEGALIZES FREIGHT ABSORPTION EVEN THOUGH EFFECT LESSENS COMPETITION

Section 2B of the bill as it passed the Senate has been changed by the House Committee on the Judiciary so as to eliminate the parenthetical clause, "except where the effect of such absorption of freight will be to substantially lessen competition." The obvious effect of this change is to legalize freight absorption even where its effect might be to substantially lessen competition. The result would be to nullify the law as decided by the Supreme Court in the so-called Glucose cases. Moreover, in the absence of conspiracy the result would be to preclude any decision that the systematic absorption of freight such as existed in the Cement Institute case would substantially lessen competition even though it were the mathematical counterpart of identical delivered prices from competing sellers.

COLLUSIVE PRICE DIFFERENTIALS ESTABLISHED BY AGREEMENT YEARS AGO MAY BE PERPETUATED

I do not see the necessity for a statutory declaration under section 2B of the bill of the right to maintain a customary differential above or below the price of a competitor when the bill would also permit the withdrawal of the differential where necessary to meet the equally low price of a competitor. I do not believe the potentialities of this provision have been adequately explored. What is the status of a customary differential that may have originated years ago through agreement among competitors?

Let us understand that freight absorption is only a euphonious term for a certain kind of price discrimination which the Supreme Court held in the Glucose cases and in the Cement case was unlawfully discriminatory whenever it injured or prevented competition. Only when there is reasonable probability of such a result does the present statute make it unlawful and that probability must be established in every case by evidence that is substantial and convincing in the judgment of our highest courts. The proponents of the pending bill are taking no

chances that freight absorption can be challenged as unlawfully discriminatory even where competitive injury can be established. Section 2B of the bill as reported to the House emphasizes that fact because it strikes out the parenthetical exception as to lessening of competition and makes the flat and all-inclusive declaration that no freight absorption to meet the equally low price of a competitor in good faith shall be an unlawful price discrimination.

FAR-REACHING CHANGES IN ENFORCEMENT OF ANTITRUST LAWS WILL RESULT—BURDEN OF PROOF CHANGED UNDER ROBINSON-PATMAN ACT—TREBLE-DAMAGE CLAIMS BY VICTIMS OF MONOPOLISTIC PRICING MADE IMPOSSIBLE

Section 3 of the bill would seem to do away with the whole procedure of the present statute as to what constitutes a prima facie case and the entry of an order to cease and desist in such a case. The meaning of the present statute with regard to that procedure has recently been litigated. The meaning has been clarified by the recent decision of the Supreme Court in the Morton Salt case (162 F. 2d 949) and by the decision of the United States Circuit Court of Appeals for the Seventh Circuit in the Standard Oil case (173 F. 2d 210). By amending the present statute as the bill proposes in this respect, we would have to start all over again to find out just what constitutes a prima facie case of discrimination and when the burden of proof shifts to the party charged with discrimination. It is a conservative conclusion that this part of the bill alone would enhance materially the difficulty of enforcing the entire Robinson-Patman Act.

The provision in section 3 of the bill making good faith to meet an equally low price of a competitor a complete and absolute defense would set aside what the courts have said Congress meant by the present statute in the Standard Oil case. The objective test of injury is the only practicable and realistic way of determining good faith. Otherwise we might just as well substitute the words "with a pure heart" or "in good conscience" for that is how we would be interpreting good faith. We would be interpreting it as we would have to interpret the criminal provisions of section 3 of the Robinson-Patman Act (the Borah amendment). Needless to say such an interpretation would kill the statute for all practical purposes, as Congress recognized when it amended the Clayton Act in 1936. The law of torts knows no such defense as subjective good faith. What such an interpretation would do to the right of private damages conferred by section 4 of the Clayton Act can only be imagined.

OLD STANDARD TACTICS OF GEOGRAPHICAL DISCRIMINATION SANCTIONED

Under section 4C it appears that the maximum amount of freight absorption which the bill would legalize is the total cost of transportation from point of shipment to place of delivery. That is more than is necessary for the successful operation of a basing-point system. Ordinarily the system operates by the systematic absorption of only part of the transportation cost, figured in terms of rail freight. I am aware of no usage in industry of the term "freight absorption" that is not associated with the matching of competitors' delivered prices and with the precise amount of freight absorption in predetermined forms and amounts that is needed to accomplish that result. I have no doubt that industries accustomed to such freight absorption would interpret the bill as legalizing that practice. But in permitting freight absorption to the full extent of the freight involved the way is opened for some price leader whose leadership is not followed to "independently" absorb freight to such an extent as to substantially undercut the recalcitrant follower and force him back into price observance. If I am correct in this analysis not only the systematic freight absorption of the basing-point system but the old Standard Oil tactics of geographical discrimination through unsystematic freight absorption would find sanction in a Federal statute were the bill to be passed.

Section 4C defines freight absorption to include situations where the actual freight is less than the average cost of transportation to the seller. This applies to zone systems only but as already observed, this is surplusage as to them since zone systems are legalized under section 2A even though they include phantom freight.

BILL WOULD CREATE MORE CONFUSION AND HAMPER ENFORCEMENT OF ANTITRUST LAWS

So far as the bill is supposed to clarify the law I think it is a fair conclusion that it will create more confusion than it will resolve. But strangely enough both its clarifying and confusing features work in the direction of hampering enforcement of the antitrust laws. In my judgment the issue of clarification is a sham. The real issue is the manner and direction in which so-called clarification is to proceed. It is whether the Congress should intervene to abandon the normal method of clarifying the law through the case-by-case scrutiny of the Commission and of the highest Federal courts, the gradual process of judicial inclusion and exclusion. Enactment of the bill would be a vote of no confidence in that process. It would be special legislation in every sense of the word.

ECONOMISTS SAY BILL WOULD MAKE BIG BUSINESS BIGGER AND SMALL BUSINESS SMALLER

I presume that this committee is especially interested in the relation between this form of price discrimination which industry has christened freight absorption and the interests of small business or local enterprise. The terms of the Clayton Act as amended are ample evidence that Congress has long since recognized price discrimination as a threat to the existence of small business and a powerful force in building up monopoly and maintaining it against the pressure of newer and smaller competitors. Let us consider why and how the freight absorption type of price discrimination has that effect. First, what do the economists say?

Dr. Corwin Edwards, Chief Economist of the Federal Trade Commission, in an article published in the Georgetown Law Journal of January 1949, stated:

"A second broad characteristic of an industry-wide basing-point system is that it tends to facilitate the growth of large enterprises and to limit the growth of small enterprises, so that discrepancies in size within the industry are maintained and may even be enhanced" (p. 139).

He explained this by saying:

"Small concerns located away from the base quote prices in their home markets which are computed as the sum of the base price plus the full freight from the base to these markets, and, therefore, any enterprise at the base can invade these outlying markets without financial sacrifice. The entire market area lies open to the basing-point mill. By contrast, the home market of the basing-point mill is not fully open to anyone except another concern also located at the same base, for the outlying producers who sell toward the base find that in such sales their delivered prices go down while their freight costs rise, so that their net receipts are reduced by roughly double the amount of the freight outlay" (p. 140).

In further explanation, he said:

"The sacrifices imposed upon him by such a system are loss of his initiative and independence in making prices, abandonment of any effort to give a nearby customer a price incentive to deal with him rather than with a distant producer, and impairment of his opportunity to enlarge his business by reaching out to markets nearer the basing point. A concern which is willing to remain permanently small and docile is well suited to the use of such a pricing system, but a small concern which desires to grow is likely to find the system a serious handicap" (p. 142).

Dr. Edwards characterized the price structures of basing-point industries as "skewed in a direction adverse to the ambitions of small enterprises (p. 142) and said the system weights the scales in favor of the large enterprise as against the small, more decisively than do other types of geographic price structure * * *" (p. 146). Referring to possible changes in pricing methods "in consequence of the decisions in the recent cases, the long-run effect of the changes is likely to be a reduction in the strategic advantage to concentrations of economic power and a gain in the opportunity for small-business enterprises to pursue their own price policies, develop their own markets, and grow bigger" (p. 148).

The logical implication of Dd. Edwards' statements as thus quoted is that legislation which would legalize the pricing methods condemned by the recent decisions would have the long-run effect of enhancing the strategic advantages of concentrated economic power and of reducing the opportunity for small-business enterprises to compete in price, to develop their local markets, and to grow as they would grow if not stunted or strangled by distant, giant competitors through the systematic price discrimination that is called freight absorption.

S. 1008 WOULD RESTRICT DEVELOPMENT OF NEW INDUSTRIAL AREAS

Approaching the problem from the angle of regional development, Mr. William Summers Johnson, principal economic analyst in the Federal Trade Commission, reached conclusions similar to those of Dr. Edwards in an article published in the same issue of the Georgetown Law Journal. After a painstaking and brilliant economic analysis he said: "There have been demonstrated several mechanical ways in which the geographic price discriminations inherent in the basing-point system operate to restrict localization of industry in the newer industrial regions" (p. 164).

He further concluded that the small producer could not become a base mill without the hazard of engaging in "an unequal contest of matching income losses" resulting from the base mill's absorption of freight, that the small producer is restrained from lowering prices in his local territory when the large producer can match them through freight absorption, and that under specified circumstances the large producer could put his small distant competitor out of business by merely absorbing enough freight to meet the small producer's delivered prices (p. 165).

Supplementing these views of able economists within the Commission, the committee will no doubt want to refer again to the testimony given it last November by Dr. Frank A. Fetter, since deceased. Dr. Fetter was for over 25 years the most expert, effective, and distinguished economic critic of the pricing methods which the proposed bill would legalize. On the specific question of the effect of freight absorption on small business, Dr. Fetter assumed the existence of a small but growing business in an area where it had a substantial freight advantage over large competitors at a distance. He then testified:

"Suppose that when this favorable situation for the small business has been arrived at, suddenly freight absorption is permitted. What would happen? Before this mill has got further than the first reduction of delivered prices in that neighborhood, those prices would be matched or undercut, and the new enterprise would be bankrupted. It is obvious to any practical-minded person that a new industry can sell its product only at a somewhat lower price than that of its older competitors. Good will and advertising value have been accumulated by

the older firms. They have larger lines of products, quite apart from full line forcing, which is sometimes done. The smaller enterprise can make its way only by selling a little below the former delivered price in that area; not below the base prices of the older mills but below their delivered cost. Consequently, when you allow freight absorption, even to bring about identical delivered cost, and not less, the local small business is put at a great disadvantage. The older rivals can put it out of business, if they want to, by the use of selling effort. And the basing-point practice involves expensive selling effort. It is even boasted, as proof of competition, that 20 salesmen visit a single town in order to sell cement of homogeneous quality. That is, they claim it is homogeneous. No price advantage is given to any buyer, or can be given under the basing-point system by any one of the sellers." (Hearings before Subcommittee of Select Committee on Small Business, House of Representatives, on the Matter of Problems of Small Business Resulting From Monopolistic and Unfair Trade Practices, September, October, and November 1948, p. 889.)

LETTER FROM SMALL-BUSINESS MAN STATES FREIGHT ABSORPTION MAKES COMPETITION IMPOSSIBLE AGAINST LARGE GROUPS

Now let us see what some small-business men engaged in the production of goods have to say about freight absorption.

In a letter dated December 9, 1948, to President Truman with copies sent to Senators CAPEHART, JOHNSON, the Senators from Texas, the chairman of this committee and others, the Archer Products Co. of Fort Worth, Tex., expressed itself on the subject. The company disagreed with the claim that the law as interpreted by the Supreme Court threatened industry with chaotic conditions and created hardships for small-business men. The company defended the decision as advantageous to the consumer through lower prices, to the small-business man, and as promoting the interest of labor and the decentralization of industry. I should like to offer the entire letter for the record but will discuss only the portions which relate to the effect of freight absorption on the small-business man. The Archer Products Co. writes as a producer of canned meats, canned beans, and canned dog food. It said:

"The small-business man would immediately receive the protection necessary to make plans in his business without fear of eventually being subject to monopolistic practice of big business because no large manufacturer could, as has been done throughout the history of American industry, reduce the price on merchandise on one area such as the Southwest to a below-cost figure of 5 percent and increase the price in five other areas 1 percent and use this weapon to break or force little business to sell out. It would force big business to use the same basing price for all markets and consequently render it impossible for him to divide and conquer little business competitors throughout the country. If this fear is not existent ask any little business man who has attempted to expand his operations what answers he receives from the banks and other financial organizations in his locality and you will find that his financiers have advised him, (1) Do not grow large enough so as to incur the unpleasantness of national competitors. (2) The man with the most money in this type of business usually wins. (3) If your competitors did not include the largest manufacturers in America we would be happy to go along with you but the bigger your business grows the more vulnerable you become. Last but not least the question most prominent with banks and other sources of finance, What are you going to do when your large competitors start after you? You can readily see how f. o. b. pricing would immediately force big business to either decentralize or be noncompetitive in various markets.

* * * * *

"The Quartermaster Corps is purchasing at present canned meat for our armed services and ERP. Our plant is located in Fort Worth, Tex., with a capacity of 6,000 cases of canned meat daily. We were not able to bid on any of these contracts because sources of finance would not assist us in enlarging our plant which was taken up by domestic business consequently the bulk of contracts for canned meat items, which we manufacture, were awarded to concerns in the Middle West and East. In one contract alone involving several hundred thousand pounds was awarded to an eastern concern who is purchasing the boned meat in Fort Worth, Tex., which is being shipped from Fort Worth to this point at a freight cost of $3 per 100 pounds and a boxing and freezing charge of 1½ cents. On 1,000,000 pound contract it is costing our Government $45,000 more to secure this item than it would if the same merchandise was manufactured f. o. b. Fort Worth."

Disclaiming any intention to speak for any product other than canned meats and canned foods, and referring to the effect of the decision on such products, the Archer Co. said:

"But I am certain the food industry would be benefited greatly if for no other reason than most food items such as some canned meat items, pork and beans, and other items similar run from 30 percent added water to 75 percent added water. Consequently the consumer buying pork and beans manufactured in the East and sold in the West is paying a freight rate of $1.35 per 100 pounds for 75 percent water. In other words the western consumer is paying 57½ cents for eastern water. It just as easily could be added in the western area."

S. 1008 WOULD GIVE SANCTION TO UNECONOMICAL PRACTICE OF CROSS-HAULING FREIGHT

If the Archer Co. is correct, the effect of legalizing freight absorption is to legalize a practice which requires the consumer to pay freight on water in canned foods from the North and East when local enterprises in the South and West could be developed and save that freight by using local water. Under a fully developed basing-point system and systematic freight absorption on canned goods, northern and eastern water would be shipped into the South and West while southern and western water would be shipped into the North and East. Of course such unnecessary cross hauling is what takes place in any systematic practice of freight absorption. In the Cement Institute case the Commission found that under the basing-point system there was much cross hauling and that consequently the system "tends toward maintaining a price level sufficiently high to permit individual corporate respondents to sell cement outside the territory naturally tributary to their respective mills." (F. T. C. Decisions, vol. 37, 87, p. 253.)

In respect to the cross-freighting of steel products, Charles M. Schwab, in an address before the American Iron and Steel Institute in 1928, is reported to have said:

"One of the principal instances of such waste [of distribution] is the cross hauling of steel products.

"It is manifestly uneconomic for a steel manufacturer in Chicago to ship 100,000 tons of steel to Pittsburgh at a time when a Pittsburgh manufacturer is shipping a like quantity of like material from Pittsburgh to Chicago. The sales in each case must be made at prices prevailing in the districts where the steel is sold, and consequently the sales price nets less to the manufacturer in each case than they would have netted if the Chicago manufacturer had supplied the Chicago market and the Pittsburgh manufacturer the Pittsburgh market."

It is one thing to tolerate such an uneconomic practice as Mr. Schwab described and quite another thing to give it the sanction of a Federal statute, as is now proposed.

In a press release dated November 7, 1948, the Senate Trade Policies Committee (the Capehart committee) quoted from a letter written it by an unnamed midwestern manufacturer of vegetable oils, as follows:

"We have long felt that the practice of many of the larger companies in quoting delivered prices, and absorbing the freight was a serious threat to our business, as they have been making deliveries of competitive products from remote parts of the country to customers in our area at prices we have been unable to meet."

The same release quoted an unnamed but "old and active canners' association with large operations in the Middle Atlantic States" as saying: "It only stands to reason that if freight to some distant point is absorbed, that it must necessarily be paid by some customer close by." He said that the present law is "entirely adequate" and that "members can satisfactorily operate their business under the ruling as laid down by the Supreme Court."

FREIGHT ABSORPTION CAUSES "DUMPING" BY EASTERN MILLS

Now, consider a letter from the Western Gear Works of Seattle to its local chamber of commerce under date of September 4, 1948. It said, in part:

"Where the labor content in a product is high and where the market is local, it is obvious that manufacturers in a local area will be benefited if outside competition who have the advantage of lower labor rates and/or lower raw material costs are not permitted to absorb freight. In the past there has been considerable dumping into the Pacific Northwest and also in the Pacific Coast States by eastern manufacturers. With freight rates as they are, it is difficult for west-coast manufacturers to ship east. These and other factors should be weighed."

In testifying before the Capehart committee on December 8, 1948, Dr. Vernon A. Mund, economist of the University of Washington at Seattle stated:

"To the extent that fabricators buy basic commodities at eastern base prices plus rail freight, cost prices in the Pacific Northwest are high. As a result, local fabricators are unable to ship their products eastward to any appreciable extent in competition with others situated near an eastern basing point. * * * Many businessmen in the Pacific Northwest state that the practice of freight absorption by which distant eastern mills dump into this area by absorbing some of the freight has definitely served to retard the development of local industry, such as steel making, because local demand is readily supplied by the eastern mills." (Statement by Vernon A. Mund, Seattle, Wash., the Impact of the Pricing Policies of the FTC before the Trade Policies Committee, Senate Interstate and Foreign Commerce Committee, December 8, 1948.)

STEEL FOR WESTERN AREAS BECOMES GREATER PROBLEM UNDER S. 1008

The conditions referred to by Dr. Mund in the Pacific coast steel industry found expression by purchasers of steel for fabrication in hearings before the Senate Subcommittee on Surplus Property of which Senator O'MAHONEY was chairman. A statement on behalf of the steel committee of the Western States Council was presented and testimony given by John M. Costello, general manager of the Los Angeles Chamber of Commerce's Washington office. The Western States Council is a federation of the prin-

cipal chambers of commerce in the 11 States of California, Oregon, Washington, Idaho, Montana, Wyoming, Colorado, Washington, Nevada, Arizona, and New Mexico. Mr. Costello testified in November 1945, just 6 months after the Supreme Court in the glucose cases had held the freight absorption and phantom freight of a basing-point system unlawfully discriminatory. He cited those decisions in support of his objections to the discrimination against the Western States under the steel basing-point system. He complained because the price of steel charged by Pacific coast producers was composed of the eastern basing-point prices plus the cost of transportation from Atlanta or Gulf ports, this representing a charge for phantom freight of $10 to $15 per ton. Mr. Costello stated:

"The steel buyers of the West strenuously object to paying for steel produced on the west coast the same identical price that they are required to pay for steel produced at Chicago, Pittsburgh, Cleveland, Buffalo, or Sparrows Point, plus transportation to the western markets. They are determined that the whole pricing policy shall be revised as it applies to steel produced in the West." (Hearings before the Subcommittee on Surplus Property of the Committee on Military Affairs, pursuant to S. Res. 129 and S. Res. 33, p. 144.)

Mr. Costello testified that this discrimination against Pacific coast steel fabricators prevented them from competing with eastern fabricators in the same way that middle-western fabricators had been handicapped under the Pittsburgh-plus system. He said that the situation was not only quite similar but that "it tends to withhold the development industrially of a particular area" (p. 149). The Los Angeles Chamber of Commerce had been complaining to the same effect as far back as 1934 (report of the Federal Trade Commission to the President, November 1934, p. 19). Whether there has been any amelioration of the situation since Mr. Costello testified in 1945 I do not know.

However, K. T. Norris, who was chairman of the steel committee of the Western States Council and president of the Norris Stamping & Manufacturing Co., of Los Angeles, was quoted as stating in the August 1948 issue of Western Metals with reference to the steel industry change to f. o. b. mill pricing as a result of the court decisions, as follows:

"I think the long-range results of the f. o. b. mill-pricing system will be beneficial to the industrial West, because I am sure that such a system will accelerate decentralization of steel-producing facilities, with each industrial center tending to produce substantially its required tonnage."

To a similar effect and in the same connection was the statement of Joseph E. Padgett, vice president of the Solar Aircraft Co. He said: "In the long run, I am of the opinion that it will benefit the west coast because it will be another force actively at work to induce the establishment of sufficient steel-making and steel-rolling capacity out on the west coast to take care of the requirements here, and when that happens we will be much better off than we have been when we were dependent on distant materials."

SUBSTITUTION OF SYSTEMATIC FREIGHT ABSORPTION FOR PHANTOM FREIGHT WOULD LEGALIZE A SUBTERFUGE

But suppose it be said that however objectionable and indefensible discrimination in the form of phantom freight may be, discrimination through freight absorption is a horse of another color and this bill legalizes only freight absorption. The attempted distinction is fatuous and one of terminology. The competitive impact of discrimination is mathematical and not ideological. The Federal Trade Commission recognized this in a letter of May 17 to the chairman of this committee when it said:

"Freight absorption is frequently thought of as a reduction of the amount which a seller would ordinarily receive by all or part of the transportation charge incurred in making the sale. Under many basing-point systems there are producers who have no mill price, and who charge delivered prices that include imaginary transportation charges from other mills, now generally known as phantom freight. If these non-base mills establish mill prices as high as the former delivered prices at their mills, they can keep the same delivered prices by eliminating the imaginary freight charge. If they set mill prices still higher, what was formerly phantom freight would then be absorbed freight, though the delivered price has not changed. By setting a mill price high enough, every sale involving any transportation cost can be made to absorb freight. A price discrimination has the same effect, whether it is described as an additional charge to those who pay higher prices or as a reduced charge to those who pay lower prices."

A very clear and forceful demolition of the attempted distinction between freight absorption and phantom freight is the following from a recent book on the basing-point system by Dr. Fritz Machlup, of Johns Hopkins University:

"DISCRIMINATION BY ADDITION OR SUBTRACTION

"In the light of the foregoing discussion, what about the proposals that the charging of fictitious freight be prohibited but the absorbing of actual freight be permitted? Should one wonder about the naivete of the proponents? Or admire them for keeping straight faces and appearing serious while they try a good joke? Or should one take offense at the impudence with which somebody tries to pull our leg? Whether any particular price charged to a customer is increased by a fictitious charge or reduced by a generous allowance depends on the base price from which one chooses to start. If a delivered price of $60 seems to contain a fictitious charge of $10 as long as the base price is stated as $50, the seller needs only to increase his base price to $60 in order to avoid making fictitious charges. It is absolutely irrelevant whether price discrimination is practiced by making additional price charges to nonfavored buyers or by making special allowances to favored buyers" (pp. 150, 151).

The Supreme Court in the Staley case definitely rejected the argument that a seller could establish such a high factory price as always to admit of reductions in order to meet the prices of competitors and held that this would be a practical continuation of the former discriminatory basing-point system which included both phantom freight and freight absorption (324 U. S. 746, 757). The substitution of systematic freight absorption for phantom freight under this bill would legalize what the Supreme Court said in effect was a subterfuge. And that was in a case not founded on conspiracy but one where the injury to competition was among the purchasers discriminated against.

DELIVERED PRICES CALCULATED ONLY ON FREIGHT BY RAIL WORK HARDSHIPS IN MANY DIFFERENT WAYS

The kind of freight absorption which basing-point industries are interested in is that which results in matched delivered prices by sellers having different costs of delivery. Only by calculating their delivery costs in common terms can that result be reached. This accounts for the fact that delivered prices in such industries are usually calculated in terms of rail freight. When once so calculated, it is optional whether actual delivery be made by cheaper modes of transportation. But that would not reduce the cost to the buyer by a single penny. It would simply give the seller a larger mill net price by the amount of the saving in delivery cost. However, the United States Court of Appeals in the Cement Institute case held that to be a form of phantom freight which it would not attempt to justify as it did freight absorption.

This method of calculating delivered prices by figuring the freight only in terms of rail rates has had some interesting and important effects upon purchasers advantageously located for delivery by water or by highway. The removal of those effects in the steel industry after the industry went on the f. o. b. mill system following the Cement Institute decision has been the subject of public comment. Thus, Business Week for September 25, 1948, said river traffic was booming, in part because of the "push for freight savings resulting from elimination of basing-point price systems." The Iron Age of August 4, 1948, reported that "steel buyers are turning in droves from rail to other forms of transportation wherever they can," that pressure for truck shipments was heavy, and that water transport was also being used. Detroit buyers were said to be finding that they could get steel delivered from Chicago by water for about the same price as from a Detroit mill.

But let us go back to NEA-code days and by contrast see how buyers who wanted delivery by water or by truck were treated under the basing-point system despite their protests. The evidence is set forth at length in the report of the Federal Trade Commission to the Senate in March 1934 and to the President in November 1934. A number of written protests were made to the Steel Code Authority which was the board of directors of the American Iron & Steel Institute. These protests against the all-rail basis of calculating delivered prices came from local chambers of commerce in river towns and cities, from business concerns located at river points and from concerns engaged in water transportation. Some of these protests were submitted through Members of Congress. The Commission published the names of the protestants and the substance of their protests in its March 1934 report to the Senate (pp. 27–32). But the all-rail basis of calculating delivered price was continued.

In its report to the President in November 1934 the Commission said:

"The industry holds tenaciously to the principle of the all-rail basis of calculation. Numerous protests from substantial business interests submitted through their Senators and Representatives to NRA and by it to the American Iron & Steel Institute, were unavailing in obtaining modification of this principle in the amended code. Many of these protests were published in the Commission's report to the Senate.

"On June 20, 1934, Mr. R. W. Shannon, assistant deputy administrator of the iron and steel code section, NRA, wrote the institute including what he said was 'a partial list of protests against the present status of inland waterway transportation under the steel code.' The list of protestants included 72 names, of which 28 were industrial concerns, 8 were water-transportation agencies, 4 were associations devoted to improvement of rivers and canals, 4 were local chambers of commerce, 12 were United States Senators, and 14 were Members of the House of Representatives. Mr. Shannon's letter is reproduced in appendix F" (p. 23).

By a vote of 10 to 1 it was decided by the institute members that no change would be made in the all-rail formula and so the protests were unavailing. It is difficult to believe that the protests of 15 years ago have no present application or counterpart to a

pricing practice that continued after the Cement Institute decision.

Likewise the Commission's reports referred to give the names of numerous protestants and the substance of their written protests against the calculation of delivered prices which imposed a premium charge for delivery by truck of 35 percent of the all-rail freight. These protestants included business concerns as well as trucking associations. That premium charge was made even though the buyer furnished his own trucks. It has been continued in later years and presumably until the industry went to f. o. b. mill after the Cement and Conduit cases were decided. Here again the protests of 15 years ago are relevant to the recent past.

The proposed legalization of freight absorption would sanction the continuation or restoration of the all-rail basis of calculating delivered prices and of absorbing freight in terms of rail rates. Unless it does do so basing-point industries would not be getting through S. 1008 a method of freight absorption which they have considered vital to their objective of equalizing their delivered prices to such an extent that purchasers found no price advantage in dealing with one as against another.

In its report to the President of November 1934, the Commission stated:

"We respectfully submit that unless our institutions are to be fundamentally changed, industry and the administration must face the problem of a return to price competition rather than the perpetuation and legalization of price combinations.

"We believe that the road toward true recovery is not in the direction of the multiple basing-point system or other price-fixing methods but is in that of the restoration of industry to a condition of sound and fair competition, and that unfair methods of competition shall be vigorously proceeded against" (p. 40).

S. 1008 CONFLICTS WITH TNEC RECOMMENDATIONS ON BASING-POINT PRICING SYSTEMS

To the extent that the bill legalizes systematic freight absorption it legalizes the mathematical essentials of the basing-point system. It therefore runs directly counter to the unanimous recommendation of TNEC of which Senator O'MAHONEY was chairman, for a legislative outlawing of the system independently of conspiracy. That recommendation was made in 1941 after the most intensive and comprehensive study of monopoly and monopolistic practice ever undertaken. The conflict between TNEC's recommendation and what is now proposed is so startling that I want to read into the record just what TNEC said. I quote from its final report as follows:

"Extensive hearings on basing-point systems showed that they are used in many industries as an effective device for eliminating price competition.

"During the last 20 years basing-point systems and variations of such systems, known technically as 'zone pricing systems' and 'freight equalization systems,' have spread widely in American industry. Many of the products of important industries are priced by basing point or analogous systems, such as iron and steel, pig iron, cement, lime, lumber and lumber products, brick, asphalt shingles and roofing, window glass, white lead, metal lath, building tile, floor tile, gypsum plaster, bolts, nuts and rivets, cast-iron soil pipe, range boilers, valves and fittings, sewer pipe, power cable, paper, salt, sugar, corn derivatives, industrial alcohol, linseed oil, fertilizer, and others.

"The elimination of such systems under existing law would involve a costly process of prosecuting separately and individually many industries and place a heavy burden upon antitrust enforcement appropriations.

"We therefore recommend that the Congress enact legislation declaring such pricing systems to be illegal.

"Because such systems have resulted in uneconomic and often wasteful location of plant equipment, it is recognized by this committee that the abolition of basing-point systems should provide for a brief period of time for industries to divest themselves of this monopolistic practice.

"The committee is not impressed with the argument that a legislative outlawing of basing-point systems will cause disturbances in the rearrangement of business through a restoration of competitive conditions in industries now employing basing-point systems. Such disturbances may be costly to those who have been practicing monopoly. But the long-run gain to the public interest by a restoration of competition in many important industries is clearly more advantageous." (Final Report and Recommendations of TNEC, March 31, 1941, p. 33.)

When the courts, limited as they are to acting on substantial evidence in separate cases, have come to agree with the TNEC that the basing-point system in the decided cases is a price-fixing device, it would seem strange, indeed, if Congress should suddenly pass from a complete ignoring of TNEC's recommendation to such a complete sanction of its opposite number as this bill represents.

TNEC also characterized zone pricing systems and freight equalization systems as "variations" of the basing-point system. The United States Circuit Court of Appeals for the Seventh Circuit reached the same conclusion as to the status of a zone delivered price system in the Crepe Paper Association case, stating that "the zoning system here employed is an enormous exaggeration of the basing-point system, having 19 States as the focal basing point" (156 F. 2d 899).

The cement industry, of course, is one that is deeply interested in the legalization of the basing-point system and of the systematic freight absorption which is the mathematical counterpart of the identical delivered prices so characteristic of the cement and other basing-point industries. During the period of the National Industrial Recovery Act when the antitrust laws were temporarily replaced by so-called codes of fair competition, a Mr. John Treanor, one of the Cement Institute trustees and a recognized industry leader, wrote to a fellow trustee as follows:

"Do you think any of the arguments for the basing-point system, which we have thus far advanced, will arouse anything but derision in and out of the Government? I have read them all recently. Some of them are very clever and ingenious. They amount to this however: That we price this way in order to discourage monopolistic practices and to preserve free competition, etc. This is sheer bunk and hypocrisy. The truth is of course, and there can be no serious, respectable discussion of our case unless this is acknowledged—that ours is an industry above all others that cannot stand free competition, that must systematically restrain competition or be ruined." (Com. Ex. 7–B; Federal Trade Commission Decisions, vol. 37, p. 248.)

No longer do the arguments for the basing-point system arouse derision in the Government, for they are at the point of receiving the solemn sanction of a Federal statute. Even such a sanction, however, cannot exclude the underlying arguments for the system from the reach and thrust of Mr. Treanor's colorful characterization as being sheer bunk and hypocrisy.

PROPOSED BILL FORMIDABLE ATTEMPT TO EMASCULATE ANTITRUST LAWS

The proposed legislation is not the first but it is perhaps the most formidable attempt to emasculate the antitrust laws through congressional intervention. And as usual the confusion resulting from court decisions is assigned as the reason (cf. address of William J. Donovan before the committee of the American Bar Association in 1936). The confusion alleged to exist in the interpretation of these two supplementary antitrust laws is simply the counterpart of the confusion alleged to exist in judicial construction of the Sherman Act itself. The courts have been interpreting it for over 50 years but business lawyers still complain they don't know what it means. If they could be given the certainty and clarity they demand it ought to be equally feasible to define legislatively such phrases as reasonable care, due diligence, or due process. But there is reason to expect that enactment of this bill would be followed by demands for still further softening up of the antitrust laws. In an article by H. E. Luedicke in the Journal of Commerce of June 23, 1949, just 1 week ago, it was stated:

"The necessary reform of our antitrust laws and pricing policies will not be completed when Congress passes the O'Mahoney freight-absorption bill probably within the next few weeks.

"Important as it is to have the wings of the Federal Trade Commission clipped at this particular time when the return of competitive markets cries for the extensive use of freight absorption, this is only part of the reform job that has to be done by Congress—and should be done as soon as possible."

The article's reference to the relation between the return of competitive markets and freight absorption is more signficant than it may appear to the casual reader. It poses the question whether we are to have the lower price levels which are to be expected from genuine price competition or whether we are to have again what the economists called sticky prices, a stickiness which they found to characterize the basing-point industries in the great depression of the early thirties. The effect of the basing-point system in pegging present prices at inflated noncompetitive levels is indicated by the testimony of W. A. Irvin, president of United States Steel, before a Senate committee in 1936 (p. 596, hearings on S. 4055, 74th Cong.). He testified that ending of the system would produce a downward movement of prices. Perhaps that is the only way to get effective disinflation unless we discard price competition as a dangerous and destructive method of curing inflation and substitute a governmentally managed economy.

This so-called freight absorption to meet the equally low delivered price of a competitor is a method of matching delivered prices. It thereby eliminates price competition and produces a stickiness of price which is maintained in the face of falling demand by means of increasing disemployment and restricted output. Such stickiness and such means of producing it are incompatible with the competitive system of free enterprise. Unchecked they mean its decline and downfall.

MONOPOLY CAN BE WEAKENED BY RESTORATION OF VIGOROUS PRICE COMPETITION

If the diagnosis which the Commission and the courts have made of the monopolistic nature of the basing-point practice is sound it means that many commodity price structures and profit margins and even the capital structures of basing-point industries reflect that monopolistic virus. It follows that the practice has played its part in building up the unprecedented corporate profits and enormous undistributed corporate earnings of the last few years. As I see it these profits and undistributed and unreinvested earnings have resulted in no small degree from the absence of effective price competition and the absence of such competition has resulted in no small degree from the matching of delivered prices through systematic freight absorption. The functioning of a free competitive economy depends upon a continuous circulation of the products of industry and of the money to buy them. Monopoly and monopolistic practice tend to interfere with that circulation by creating excessive prices and profits which in the aggregate tend to form a huge blood cot in the circulatory sys-

tem of the economic body. When that clot grows to sufficient size it threatens us all with economic collapse and catastrophe. The present state of the economy is ominous of oncoming crisis. The only hope of dissolving that clot insofar as monopoly has created it is the restoration of vigorous price competition. And yet we are told by the proponents of this bill that what we need just now when price competition promises to return under the compulsion of existing law is a legalization of practices which make for a stickiness in price that is equivalent to creating blood clots in the circulatory system of our economy. The decision is one of the most momentous Congress has ever been called on to make. At least it should not be made with the unseemly haste which has attended the course of this bill.

PRACTICAL EFFECT OF S. 1008 WILL BE TO DESTROY ANTITRUST LAWS

My final judgment is that despite all its high-sounding provisos and exceptions, the practical effect of the bill if enacted, even with the Kefauver amendment and even with the blessing of sincere foes of monopoly, would be to emasculate the present laws because they interfere with the most subtle and successful devices, tools, and formulas for automatic price fixing, or as Justice Douglas put it, "the easy and quick accommodation of prices," that the best legal and economic apologists for monopoly and monopolistic practice have yet been able to devise.

Mr. DEANE. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. DEANE. The State of North Carolina within recent weeks approved, by a State-wide vote, a $200,000,000 bond issue. Of course, that conceives the building of a great many highways and roads in the State of North Carolina. In what way would the passage of this bill affect that road program, as far as cost is concerned?

Mr. PATMAN. I am glad the gentleman asked that question. I predict it will cost 25 to 50 percent more for cement. Cement is one of the major factors in the construction of highways. The cement companies will charge whatever they prefer to charge. Naturally, they will charge plenty.

Here is a bill that gives the Steel Trust and the Cement Trust and the Sugar Trust and all these other trusts using the basing point and having identical prices for 25 years, with no competition—the consumer does not have a chance—this gives them the right to continue that and make it legal, and no one can say their price is too high.

Ordinarily, in transportation systems and systems of that nature, there is some regulatory body that can say, "Your price is too high," an make them put it down. But in this you are turning them loose. They can fix their own prices. The sky is the limit. It is up to them. The consumers have to pay. No regulatory body on earth will have the right to come in say, "Your prices are too high."

In the next few years it is anticipated we will spend from three to five billion dollars a year on highway construction in this country. If we spend as much as the Washington Post indicated the other day, over the next 10 years, the cement alone each year will be 92,000,000 barrels for that road-construction program. That cement can cost $2.50 a barrel, $3.50, or $4 a barrel, whatever the Cement Trust decides to charge, if you pass this bill. It will retard the road-construction program to the extent that you will not be able to build as many miles of roads. The farmers are greatly harmed by a bill like this because the steel companies—you know they are in a trust and have been for 25 years—they will charge so much for steel that the farmers will have to pay an outrageous price for farm machinery. It is obsolutely wrong; it is not right. I hope that the Members of this Congress will stop and think before voting for a bill that will legalize a monopoly of this kind.

AUTHORITY TO THE CLERK TO RECEIVE MESSAGES AND TO THE SPEAKER TO SIGN ENROLLED BILLS

Mr. DEANE. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until tomorrow the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 834. An act to amend the Contract Settlement Act of 1944 so as to authorize the payment of fair compensation to persons contracting to deliver certain strategic or critical minerals or metals in cases of failure to recover reasonable costs, and for other purposes;

H. R. 3088. An act to increase the compensation of certain employees of the municipal government of the District of Columbia, and for other purposes; and

H. R. 5044. An act to continue for a temporary period certain powers, authority, and discretion in respect to tin and tin products conferred upon the President by the Second Decontrol Act of 1947, and for other purposes.

BILL PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 4754. An act to simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes.

ADJOURNMENT

Mr. DEANE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 41 minutes p. m.) the House adjourned until tomorrow, Friday, July 1, 1949, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

731. A letter from the Comptroller General of the United States, transmitting a report on the audit of Inland Waterways Corporation and subsidiary, Warrior River Terminal Co., for the fiscal year ended June 30, 1947 (H. Doc. No. 248); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

732. A letter from the Comptroller General of the United States, transmitting a report on the audit of Government Services, Inc., for the year ended December 31, 1947; to the Committee on Expenditures in the Executive Departments.

733. A letter from the Acting Administrator, Federal Security Agency, transmitting a draft of a bill entitled "A bill to amend the Public Health Service Act with respect to venereal-disease rapid-treatment centers, and for other purposes"; to the Committee on Interstate and Foreign Commerce.

734. A letter from the Secretary of State, transmitting a draft of proposed legislation entitled "A bill to increase the annual authorization for the appropriation of funds for collecting, editing, and publishing of official papers relating to the Territories of the United States"; to the Committee on House Administration.

735. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal, and lists or schedules, or parts of lists or schedules, covering records proposed for disposal by certain Government agencies; to the Committee on House Administration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SABATH: Committee on Rules. House Resolution 274. Resolution for consideration of H. R. 1689, a bill to increase rates of compensation of the heads and assistant heads of executive departments and independent agencies; without amendment (Rept. No. 952). Referred to the House Calendar.

Mr. MORRIS: Committee on Public Lands. H. R. 5310. A bill to confer jurisdiction on the State of California over the lands and residents of the Agua Caliente Indian Reservation in said State, and for other purposes; with an amendment (Rept. No. 956). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOGGS of Louisiana: Committee on Ways and Means. H. R. 5332. A bill to amend section 3 of the act of June 18, 1934, relating to the establishment of foreign-trade zones; without amendment (Rept. No. 957). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOGGS of Louisiana: Committee on Ways and Means. House Joint Resolution 287. Joint resolution extending section 1302 (a) of the Social Security Act, as amended, until June 30, 1950; without amendment (Rept. No. 958). Referred to the Committee of the Whole House on the State of the Union.

Mr. REED of Illinois: Committee on the Judiciary. S. 70. An act to make effective in the District Court for the Territory of Alaska rules promulgated by the Supreme Court of the United States governing pleading, practice, and procedure in the district courts of the United States; with an amendment (Rept. 959). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOBBS: Committee on the Judiciary. S. 1042. An act relating to the payment of fees, expenses, and costs of jurors; with an amendment (Rept. No. 960). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOBBS: Committee on the Judiciary. H. R. 4875. A bill to amend title 28 of the

United States Code relating to travel expense allowances for Government employee witnesses; with an amendment (Rept. No. 961). Referred to the Committee of the Whole House on the State of the Union.

Mr. VORYS: Committee on Foreign Affairs. Part II, minority views on H. R. 4406. A bill to provide for the settlement of certain claims of the Government of the United States on its own behalf and on behalf of American nationals against foreign governments (Rept. No. 770). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CASE of New Jersey: Committee on the Judiciary. H. R. 3718. A bill for the relief of George Seeman Jensen; without amendment (Rept. No. 953). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H. R. 4306. A bill for the relief of Zora B. Vulich; with an amendment (Rept. No. 954). Referred to the Committee of the Whole House.

Mr. CASE of New Jersey: Committee on the Judiciary. H. R. 4854. A bill for the relief of Mrs. Miriam G. Wornum; with an amendment (Rept. No. 955). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MANSFIELD:

H. R. 5403. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. JACKSON of California:

H. R. 5404. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. DAGUE:

H. R. 5405. A bill to create, and assign duties to, the office of the Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. DAVIS of Georgia:

H. R. 5406. A bill to create, and assign duties to, the office of the Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. SMATHERS:

H. R. 5407. A bill to create, and assign duties to, the office of the Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. GRANGER:

H. R. 5408. A bill to create, and assign duties to, the office of the Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. CASE of South Dakota:

H. R. 5409. A bill to create, and assign duties to, the office of the Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. PATTERSON:

H. R. 5410. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. THOMPSON:

H. R. 5411. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. O'SULLIVAN:

H. R. 5412. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. JACKSON of Washington:

H. R. 5413. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. GORDON:

H. R. 5414. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. DAVENPORT:

H. R. 5415. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. MORGAN:

H. R. 5416. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. PATTEN:

H. R. 5417. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. BARING:

H. R. 5418. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. KING:

H. R. 5419. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. FORAND:

H. R. 5420. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. SIKES:

H. R. 5421. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. HERLONG:

H. R. 5422. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. GORSKI of Illinois:

H. R. 5423. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. MILLER of California:

H. R. 5424. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. HOWELL:

H. R. 5425. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. RICHARDS:

H. R. 5426. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services

By Mr. BURDICK:

H. R. 5427. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. DONOHUE:

H. R. 5428. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. CARROLL:

H. R. 5429. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. KELLEY:

H. R. 5430. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. O'NEILL:

H. R. 5431. A bill to create, and assign duties to, the office of Assistant Secretary of the

Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. KLEIN:

H. R. 5432. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United State. Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. MITCHELL:

H. R. 5433. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. DEANE:

H. R. 5434. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. KARSTEN:

H. R. 5435. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. BOLLING:

H. R. 5436. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. KIRWAN:

H. R. 5437. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. KEARNEY:

H. R. 5438. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. ROGERS of Florida:

H. R. 5439. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. BYRNES of Wisconsin:

H. R. 5440. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. LANE:

H. R. 5441. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. HART:

H. R. 5442. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. FOGARTY:

H. R. 5443. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. YATES:

H. R. 5444. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. LOVRE:

H. R. 5445. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. JUDD:

H. R. 5446. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. ALLEN of California:

H. R. 5447. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. BRAMBLETT.

H. R. 5448. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. COTTON:

H. R. 5449. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. McDONOUGH:

H. R. 5450. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. POULSON:

H. R. 5451. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. FLOOD:

H. R. 5452. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. WERDEL:

H. R. 5453. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. NIXON:

H. R. 5454. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. SMITH of Wisconsin:

H. R. 5455. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. CHIPERFIELD:

H. R. 5456. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. HAYS of Arkansas:

H. R. 5457. A bill to create, and assign duties to, the office of Assistant Secretary of the Navy for the Marine Corps, and to fix the personnel strength of the United States Marine Corps in relation to that of the other armed forces; to the Committee on Armed Services.

By Mr. ELLIOTT:

H. R. 5458. A bill to authorize the Federal National Mortgage Association to purchase more GI loans and to make direct housing loans to veterans in certain cases; to the Committee on Banking and Currency.

By Mr. FARRINGTON:

H. R. 5459. A bill to enable the Legislature of the Territory of Hawaii to authorize the city and county of Honolulu, a municipal corporation, to issue bonds for the purpose of defraying the city and county's share of the cost of public improvements constructed pursuant to improvement-district proceedings; to the Committee on Public Lands.

By Mr. HULL:

H. R. 5460. A bill to amend section 7 (c) of the Fair Labor Standards Act of 1938; to the Committee on Education and Labor.

By Mr. JENKINS:

H. R. 5461. A bill to extend the benefits of the act of May 29, 1944, entitled "An act to provide for the recognition of the services of the civilian officials and employees, citizens of the United States, engaged in and about the construction of the Panama Canal," to certain additional civilian officers and employees; to the Committee on Merchant Marine and Fisheries.

By Mr. KELLEY:

H. R. 5462. A bill to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. MILLER of California:

H. R. 5463. A bill to amend the Civil Service Retirement Act of May 29, 1930, to provide increased benefits for certain Federal employees who have served less than 20 years in law-enforcement work; to the Committee on Post Office and Civil Service.

By Mr. MILLER of Nebraska:

H. R. 5464. A bill to extend indefinitely the period in which title I of the Agricultural Act of 1948 shall be applicable; to the Committee on Agriculture.

By Mr. MURRAY of Tennessee:

H. R. 5465. A bill to amend section 4 (e) of the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on Post Office and Civil Service.

By Mr. BURLESON:

H. R. 5466. A bill to provide for the conveyance of a certain housing project in Big Spring, Tex., to Abilene Christian College, Abilene, Tex.; to the Committee on Banking and Currency.

By Mr. FOGARTY:

H. R. 5467. A bill to authorize payments by the Administrator of Veterans' Affairs on the purchase of automobiles or other conveyances by certain disabled veterans, and

for other purposes; to the Committee on Veterans' Affairs.

By Mr. HINSHAW:

H. R. 5468. A bill to amend the Civil Aeronautics Act of 1938, as amended, with respect to local enforcement of safety regulation of civil aviation, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WHITE of California:

H. R. 5469. A bill to carry out the recommendations of the Commission on Organization of the Executive Branch of the Government relating to flood control, river and harbor improvement, irrigation, and the production of power; to the Committee on Expenditures in the Executive Departments.

By Mr. BOGGS of Louisiana:

H. J. Res. 287. Joint resolution extending section 1302 (a) of the Social Security Act, as amended, until June 30, 1950; to the Committee on Ways and Means.

By Mr. DEANE:

H. Res. 275. Resolution for the relief of Arletta B. Roberts; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FARRINGTON:

H. R. 5470. A bill for the relief of Joseph A. Haddad; to the Committee on the Judiciary.

By Mr. KLEIN:

H. R. 5471. A bill for the relief of Irving Maness; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1212. By Mr. GRAHAM: Petition of 25 residents of Butler County, Pa., urging the discontinuance or reduction of wartime excise taxes; to the Committee on Ways and Means.

1213. By Mr. WHITE of California: Memorial of the Assembly and Senate of the State of California, urging Congress to take steps to release unneeded Army, Navy, Air Force, and Marine Corps warehouse space in California for cotton storage; to the Committee on Armed Services.

1214. Also, memorial of the Assembly and Senate of the State of California, urging Congress to extend boundary of the Sacramento River flood-control project; to the Committee on Public Works.

1215. By the SPEAKER: Petition of New Hampshire Dental Society, Manchester, N. H., requesting that Congress do not enact any legislation containing the principle of compulsory health insurance; to the Committee on Interstate and Foreign Commerce.

1216. Also, petition of Pacific War Memorial, New York, N. Y., asking that May 9 of each year be designated as VE-day and September 2 of each year be designated as VJ-day; to the Committee on the Judiciary.

1217. Also, petition of Texas Society of Certified Public Accountants, College Station, Tex., relative to the bill H. R. 2983 and strongly endorsing establishment of the Tax Settlement Board as proposed therein; to the Committee on Ways and Means.

1218. Also, petition of Mr. and Mrs. Willis Banks and others, Wichita, Kans., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1219. Also, petition of Helen Schmidt and others, Kewanee, Ill., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1220. Also, petition of O. W. Gollings and others, Oak Park, Ill., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1221. Also, petition of J. H. Basehore and others, Middletown, Pa., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1222. Also, petition of Mrs. Anna Finchey and others, Payette, Idaho, requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

1223. Also, petition of Mrs. Mary Brindle and others, Cambridge Springs, Pa., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

SENATE

FRIDAY, JULY 1, 1949

(Legislative day of Thursday, June 2, 1949)

The Senate met, in executive session, at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O merciful God, whose law is truth and whose statutes stand forever, we beseech Thee to grant unto us, who in the morning seek Thy face, fervently to desire, wisely to apprehend, and obediently to fulfill all that is pleasing unto Thee. Grant unto us all that, laying aside any partisan divisions, we may be given tallness of stature to see above the walls of our prideful opinions the good of the largest number. And in these perplexing times that try our souls and test our character, may Thy strength sustain us, may Thy grace preserve us, may Thy wisdom instruct us, may Thy might protect us and Thy hand direct us this day and evermore. In the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. O'MAHONEY, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, June 30, 1949, was dispensed with.

MESSAGE FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on June 30, 1949, the President had approved and signed the act (S. 1433) amending Public Law 125, Eightieth Congress, approved June 28, 1947, as amended.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 2619. An act to extend the benefits of the annual- and sick-leave laws to part-time employees on regular tours of duty and to validate payments heretofore made for leave on account of services of such employees; and

H. R. 3191. An act to amend the act approved September 7, 1916 (ch. 458, 39 Stat. 742), entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," as amended, by extending coverage to civilian officers of the United States and by making benefits more realistic in terms of present wage rates, and for other purposes.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H. R. 5100. An act to correct inequities in the pay of certain officers and employees of the Federal Government and of the government of the District of Columbia; and

H. R. 5240. An act to continue for a temporary period certain powers, authority, and discretion for the purpose of exercising, administering, and enforcing import controls with respect to fats and oils (including butter), and rice and rice products.

EXECUTIVE MESSAGE REFERRED

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting the nomination of Jess Larson, of Oklahoma, to be Administrator of General Services, which was referred to the Committee on Expenditures in the Executive Departments.

THE NORTH ATLANTIC TREATY

The VICE PRESIDENT. The question before the Senate, as in Committee of the Whole, is the North Atlantic Pact, which is open to amendment.

TRANSACTION OF LEGISLATIVE BUSINESS

By unanimous consent, as in legislative session, the following routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

PROMOTION OF FOREIGN POLICY

A letter from the Secretary of State, transmitting a draft of proposed legislation to promote the foreign policy of the United States and to authorize participation in a cooperative endeavor for assisting in the development of economically underdeveloped areas of the world (with an accompanying paper); to the Committee on Foreign Relations.

AMENDMENT OF EXPORT-IMPORT BANK ACT OF 1945

A letter from the Secretary of State, transmitting a draft of proposed legislation to amend the Export-Import Bank Act of 1945, as amended (59 Stat. 526, 666; 61 Stat. 130), to vest in the Export-Import Bank of Washington the power to guarantee United States investments abroad (with an accompanying paper); to the Committee on Banking and Currency.

REPORT ON OPERATION OF TRADE AGREEMENTS PROGRAM

A letter from the Acting Chairman, United States Tariff Commission, transmitting, pursuant to law, the annual report of the Commission on the operation of the Trade Agreements Act (with an accompanying report); to the Committee on Finance.